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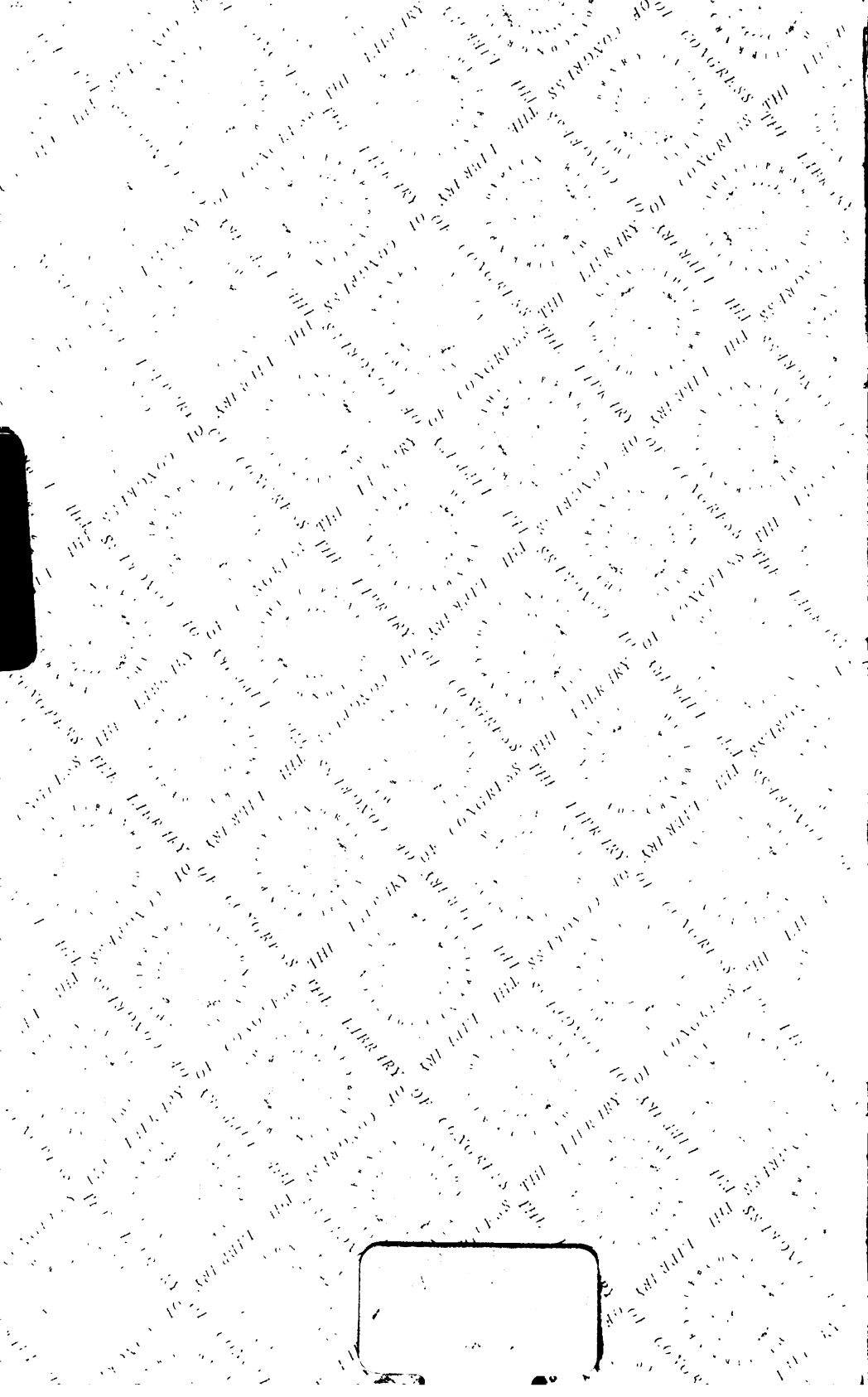
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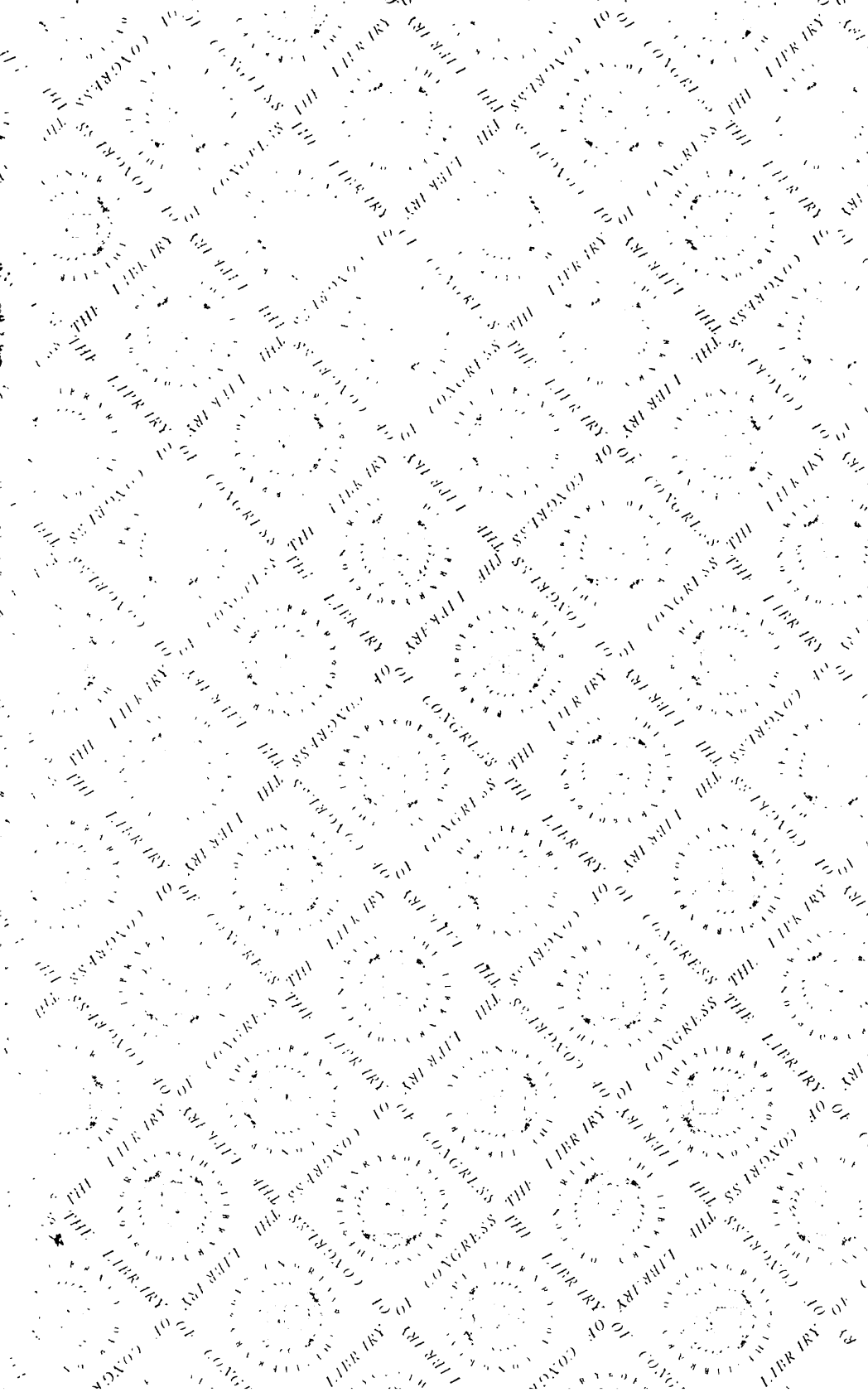
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EIGHT HOURS FOR LABORERS ON GOVERNMENT WORK.

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## HEARINGS

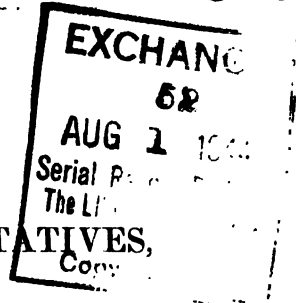
BEFORE THE

*U.S. Congress, House:*

## COMMITTEE ON LABOR.

OF THE

HOUSE OF REPRESENTATIVES,



FEBRUARY 4, 11, 18, 25, MARCH 3 AND 4, 1904.

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## EIGHT HOURS ON GOVERNMENT WORK.

**HEARING BEFORE THE COMMITTEE ON LABOR OF THE HOUSE OF REPRESENTATIVES ON THE BILL H. R. 4064, ENTITLED "A BILL LIMITING THE HOURS OF DAILY SERVICE OF LABORERS AND MECHANICS EMPLOYED UPON WORK DONE FOR THE UNITED STATES, OR FOR ANY TERRITORY, OR FOR THE DISTRICT OF COLUMBIA, AND FOR OTHER PURPOSES."**

*Copy of bill under consideration, H. R. 4064, Fifty-eighth Congress, first session.*

A BILL limiting the hours of daily service of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That every contract hereafter made to which the United States, any Territory, or the District of Columbia is a party, and every such contract made for or on behalf of the United States, or any Territory, or said District, which may require or involve the employment of laborers or mechanics shall contain a provision that no laborer or mechanic doing any part of the work contemplated by the contract in the employ of the contractor or any subcontractor contracting for any part of said work contemplated shall be required or permitted to work more than eight hours in any one calendar day upon such work; and every such contract shall stipulate a penalty for each violation of such provision in such contract of five dollars for each laborer or mechanic for every calendar day in which he shall be required or permitted to labor more than eight hours upon such work; and any officer or person designated as inspector of the work to be performed under any such contract, or to aid in enforcing the fulfillment thereof, shall, upon observation or investigation, forthwith report to the proper officer of the United States, or of any Territory, or of the District of Columbia all violations of the provisions in this Act directed to be made in every such contract, together with the names of each laborer or mechanic violating such stipulation and the day of such violation; and the amount of the penalties imposed according to the stipulation in any such contract shall be directed to be withheld by the officer or person whose duty it shall be to approve the payment of the moneys due under such contract, whether the violation of the provisions of such contract is by the contractor or any subcontractor. Any contractor or subcontractor aggrieved by the withholding of any penalty as hereinbefore provided shall have the right to appeal to the head of the Department making the contract, or in the case of a contract made by the District of Columbia to the Commissioners thereof, who shall have power to review the action imposing the penalty; and from such final order whereby a contractor or subcontractor may be aggrieved by the imposition of the penalty hereinbefore provided such contractor or subcontractor may appeal to the Court of Claims, which shall have jurisdiction to hear and decide the matter in like manner as in other cases before said court.

Nothing in this Act shall apply to contracts for transportation by land or water, or for the transmission of intelligence, or for such materials or articles as may usually be bought in open market, whether made to conform to particular specifications or not, or for the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not. The proper officer on behalf of the United States, any Territory, or the District of Columbia may waive the provisions



and stipulations in this Act during time of war or a time when war is imminent, or in any other case when in the opinion of the inspector or other officer in charge any great emergency exists. No penalties shall be imposed for any violation of such provision in such contract due to any emergency caused by fire, famine, or flood, by danger to life or to property, or by other extraordinary event or condition. Nothing in this Act shall be construed to repeal or modify chapter three hundred and fifty-two of the laws of the Fifty-second Congress, approved August first, eighteen hundred and ninety-two.

WASHINGTON, D. C., *February 4, 1904.*

The committee met at 10.30 o'clock a. m., Hon. John J. Gardner in the chair.

The CHAIRMAN. Gentlemen, this is the day set for the beginning of the hearings on this eight-hour bill. No applications for hearings have been made except by those in opposition to the bill, and it was in deference to the applications for hearings in opposition that a time was set for the committee to take up the bill. Mr. Clerk, is there any application on file by anybody to be heard in advocacy of the bill?

The CLERK. No, sir.

Mr. GOMPERS. If I may ask your attention for a moment, I desire to say that this bill, or substantially this bill, has been before the last three Congresses and reported favorably by the Committee on Labor of these Congresses, and passed by the House of Representatives by a practically unanimous vote. We who advocate the passage of this bill believe that because of these facts, because notwithstanding the large array of local talent which has been retained and has appeared in behalf of the opponents of the bill in former Congresses, and before this committee, and in view of the fact that a large amount of time was taken up by the opponents of the bill in presenting evidence, and the opponents being unable to persuade any prolonged hearings, these hearings being very largely printed, the evidence being printed, we do not believe that it is necessary for us to present testimony in favor of this bill. Our arguments are in print and are easily accessible to the members of this committee and to the members of Congress. If the opponents were to adduce any particular new feature we would then feel warranted in asking the indulgence of the committee to give us an opportunity to submit evidence, or arguments, to disprove the contention of the opposition. And, further, in view of the fact that the Committee on Labor is very largely made up of the same members that constituted the committee last Congress and in previous Congresses—all these things taken together—it seems to us unnecessary to submit any proof or any evidence as to the advisability or necessity or wisdom of the passage of this bill.

Mr. McCAMMON. Permit to say that the gentleman who has addressed the committee was not—unconsciously, perhaps—very complimentary to this committee. This is the committee of the Fifty-eighth Congress, the Committee on Labor of the House of Representatives, composed largely of new members of Congress, new members of the committee, and it is not the same committee, not nearly the same committee, that considered this matter in the last Congress, and I take it for granted that the members of this committee desire all that is necessary and important for them to hear with regard to this bill.

Another thing; this is not the same bill that was before the former

committee, and in some respects it is not *substantially* the same bill as was presented for the consideration of this committee at the last Congress. It is true the central idea is the same—that is, to compel directly Government contractors to adopt a fast eight-hour system, and indirectly to compel large manufacturing interests of the country to follow suit. That is the object of the bill.

On the first division, as to Government contractors, with the permission of the chairman and the committee, I would say—I do not wish to extend my remarks at this time, but it seems opportune to say this much—that this present bill avowedly is for the purpose of compelling the shipbuilding interests and those manufacturers who supply materials for ships to adopt the eight-hour system. In other words, in this country of ours of equal rights—we believe in equal rights, all of us believe that without regard to party, and whether we have them or not is another question—it is proposed by this bill to sustain a principle which is obnoxious to every theory upon which our country has grown. If the committee will carefully read the bill it will be noticed that nearly everything is excluded, and if you go further and inquire as to the meaning of this particular bill, please read the record of the proceedings before the Senate Committee on Education and Labor of the last Congress. I say “avowedly,” because time and again the chairman of the committee very plainly indicated, in fact several times he plainly said, that everybody was excluded except the constructors of ships and the makers of steel which went into the construction of ships. For that reason I think it is important, first, that the committee should understand the full scope of this bill. Therefore it should have hearings for that purpose, and I, of course, go beyond that; I feel that it is the duty of those who favor the bill to explain why such an un-American measure should be forced through this committee. On that, before sitting down, I would like to call attention to a paragraph from the argument that I had the honor of making before the committee, or its predecessor, on March 18, 1902, and I hope I will not be tempted to make any further remarks at this session.

The paragraph to which I wish to call attention is as follows:

Mr. McCAMMON. Mr. Chairman and gentlemen of the committee, in presenting the final argument on behalf of certain companies and individuals who have heretofore contracted with the Government, it seems incumbent on me to disclaim any opposition either to the theory of those who advocate an eight-hour system or to the practical application of an eight-hour system where the consent of the various trades and manufacturers which produce the same or nearly similar articles as are contracted for from time to time by the Government is unanimous. This consent must necessarily be practically unanimous or universal, else the advantage must be with the establishment which employs men to work ten or twelve hours in producing substantially the same product as those working shorter hours. Our opposition is to no theory, to no principle, but is directed to the vicious attempt to compel a Government contractor to be placed at a disadvantage in connection with producers in the same line of business if the bill under discussion should become a law.

The meaning of that last paragraph is, and it must be evident to every member of the committee, that it will be impossible for a shipbuilder to construct Government ships under an eight-hour system and ships for commercial use under the ten-hour system.

Mr. GOMPERS. Mr. Chairman, I take it that the gentlemen of the committee will appreciate the fact that Judge McCammon is the sponsor for the intelligence and the safety of the committee, particularly as directed by the insinuations coming from myself. As far as I am

concerned I do not thank him; I can not appreciate his volunteered defense of either the committee or the attempt to give to me a motive and a purpose that was furthest from my mind. I say again that the hearings before this committee have been as prolonged as perhaps the hearings on any other measure that has dragged through any number of Congresses in the history of our country. I know of no measure that has ever been considered by Congress or by a committee of Congress where there have been more prolonged hearings than there have been upon this bill or substantially this bill. Judge McCammon—  
(The speaker mispronounced the name, as he had done once before in the course of his remarks, calling him "Judge Cammon.")

Mr. McCAMMON. Excuse me; to whom do you refer?

Mr. GOMPERS. The gentleman did not go so far as to refer to me by name at all.

Mr. McCAMMON. I referred to you as "the gentleman." I suppose that ought to satisfy most anyone.

Mr. GOMPERS. Yes; but the manner of the expression conveyed perhaps more than the words conveyed.

Mr. McCAMMON. You know better than that.

Mr. GOMPERS. However, we should not dispute about anything of that sort.

The gentleman appearing in opposition to this bill and who has just addressed you said that this is not the same bill and that it can scarcely be regarded as substantially the same bill, although he admits that in a measure it carries with it the same principles which he immediately proceeds to attack, but he fails to say to you that the bill is a modification, if anything, of the previous bills that have been considered by this committee, and not as by indirection or silence he desired to convey to the committee that it is an extension of the provisions of the former bills.

You will have observed that in the course of a few remarks in which we are supposed to consider the setting of times for hearings, if any, the gentleman appearing in opposition to the bill, right in the beginning of this preliminary discussion as to fixing a time for hearings, if any, interjects one of the most important arguments (which in his judgment is important) before this committee. And why? It is not difficult to discern or infer. He desires in advance to prejudice the minds of the committee against the bill, and hopes to make it necessary that we shall be compelled to meet that argument now.

I will say that there is nothing in it; that is all. We will answer it in that way—that the bill under consideration is not un-American, that it is wise, that it is good public policy, that it is safe industrially, that it is a measure of economy, and one calculated to advance the citizenship and the manhood of our people.

I do not want, however, to enter into an argument upon the merits of the bill. I say, Mr. Chairman, we have not made any request or application to be heard before this committee upon the bill, and until we know what the opposition may have to present against it we shall rest content with the evidence that we have adduced and the arguments we have made in support of the bill, which is substantially the one now before you.

We ask and we hope and we expect that a bill which has received the favorable consideration and report of the Committee on Labor of

the House of Representatives in the past three Congresses, a bill that was passed by practically a unanimous vote of the House, a bill that in the Senate was referred to the Senate Committee on Education and Labor and at various times reported favorably by the committee—and at no time in the history of this bill has there been any unfavorable report by any committee—will be considered a bill upon which it is unnecessary to have prolonged hearings, and upon which prolonged hearings will not be permitted.

The policy not only indicated but demonstrated before previous Congresses has been to prolong the hearings, that has been the policy of those opposed to the bill; it has been their policy to make application to be heard, to submit evidence from time to time prolonging the hearings.

The gentleman who appeared this morning and who made the argument in opposition to the bill and made the point he has made, has been long connected with the opposition to this bill, but it is not quite so long a time as the time I have had the honor of being connected with those who advocate its passage, and I know the tactics that have been employed by those opposed to this bill ever since it has been before Congress.

I want to say, Mr. Chairman, that this bill is not a vicious one; it has never been conceived as a vicious bill, and it is not harbored in the minds of its advocates as a vicious bill, and in proof there is no successful charge of that character that can be made. No man can honestly and truthfully say that a bill which in its effect will help to lighten the burdens of the daily toil of the working people of our country can by any stretch of the imagination be regarded as a vicious measure.

I shall not argue this bill at this morning's session, Mr. Chairman and gentlemen. I say that we are disinclined to submit any evidence in support of this bill at any time or submit any argument in its favor. We believe that the record in print, voluminous documents, contain the arguments and evidence of both those who are in favor of the bill and those who are opposed to it, and that it is not necessary to have any further extended hearings or take any further extended evidence in regard to the pending measure. We do not believe that there is a new point or a particle of new evidence that the opposition can present—I may be doing the opponents of the bill an injustice, but, if so, it is not intentional—I do not believe there is anything new they can present in opposition to this measure which is not already in print. They hope, I believe, to take up the time and prolong the hearings and make it appear how necessary it is for you gentlemen to hear evidence and hear further arguments, and then they will prolong the arguments, and then if you should favor the bill—and we hope you will and report it for passage—they will pursue the same course before the Senate Committee on Education and Labor, they will pursue the same procrastinating course before that committee, and then employ the same means to secure its defeat by the Senate that has been employed in former Congresses.

Mr. Chairman and gentlemen, I have nothing further to add this morning to what I have already submitted to your consideration.

Mr. HUGHES. I move we call upon the opponents of this bill to proceed with their evidence and arguments.

The CHAIRMAN. Is there a representative of the National Association of Manufacturers here?

Mr. CUSHING. Mr. Chairman, I represent the National Association of Manufacturers.

The CHAIRMAN. Please give your full name and take a place at the end of the table if you wish to address the committee.

**STATEMENT OF MR. MARSHAL CUSHING, SECRETARY OF THE NATIONAL ASSOCIATION OF MANUFACTURERS.**

Mr. Chairman and gentlemen, we expected that the advocates of this bill would present arguments to-day in its favor, understanding that it was a totally new bill, and that the committee was new and would naturally be interested to hear arguments in favor of the bill, as well as arguments against it.

Mr. Moore and myself are here as lookers on and listeners simply to-day. We should like opportunity later on to produce witnesses against a favorable report on the bill. We should only be too glad to accommodate the committee with reference to later days. Next week, Thursday, if that is a regular meeting day, we will be on hand with our witnesses.

The CHAIRMAN. You are not prepared, then, to go on this morning?

Mr. CUSHING. No, sir.

Mr. GOEBEL. Speaking for myself only, Mr. Chairman, I am a new member of Congress and a new member of this committee. It is true that I can read the records of the proceedings of the former committee, but the whole subject is new to me, and I would like to hear a discussion on both sides, and a full discussion, and I think opportunity ought to be given to both sides, if they are not ready to-day, then some other day. This is an important matter, and it is one that I would like to be informed upon in order that I might make up my mind as to what is right in the premises. It seems to me that there may be some new things presented for the enlightenment of this committee outside of the testimony that was taken before. Therefore, I would suggest that we hear both sides and give every opportunity for a full hearing at such times as may be suitable and convenient to both sides.

The CHAIRMAN. I will say, Judge, that it has always been our practice to hear both sides, and, further, that the opposition has generally been presented first and then answers to the opposition.

Mr. GOEBEL. Of course that is a mere method of procedure. I do not care how you proceed—whether the opposition is to be heard first or those who favor the bill are heard first—that is immaterial so long as there is a full discussion on both sides.

Mr. GILBERT. About how many days were consumed in the former hearings?

The CHAIRMAN. The committee took the bill up on the 15th of February and discussed it, I think, until the 9th of March, which was the day set for the closing of the hearings, and, if I remember rightly, extended them a week longer. I could not tell without referring to the record just how many days were consumed in the hearings, because I know some days we sat all day and at other times we met on Thursday and had a hearing and then had another hearing the next day.

Mr. GILBERT. It is not proposed to go over all the same line of testimony again, is it?

The CHAIRMAN. I do not know. I suppose that so much of the testimony already taken, appearing in the record, which is considered to be pertinent, might be extracted and embodied in these present hearings.

Mr. GOEBEL. I think that would be the proper thing to do.

Mr. GILBERT. Somebody ought to summarize that testimony.

Mr. HUGHES. Was it not understood in the last meeting that the proponents or the opponents of the bill were to proceed with their testimony on February 4?

The CHAIRMAN. It was decided at that meeting that we would begin the hearings at this time (February 4), and the chairman was instructed to give out notice to that effect, and such information was given to the Associated Press. To what extent that has been published I do not know. I will say to the committee right here that it is quite possible that some people who are very much interested in this matter probably should have been written to or notified, who have not been so notified. It has not suited Congress in its wisdom up to this time to give to this committee more than a session clerkship, and so at the adjournment of the Congress the committee has no clerk, and the law takes away my clerk at the end of a session, and busy as I am with the Post-Office Committee and with 24,000 labor unions, with whom I have had correspondence, it has simply been an impossibility with the organization allowed this committee to do the work required of it; but we do the best we can.

Mr. HUGHES. If I remember, there was some effort made about two weeks ago to have the hearings commence then, and there were purely formal objections put in, and the understanding was that on February 4 the committee would get down to work.

Mr. McCAMMON. I received no such notice, and I probably was as much entitled to a notice as any one interested in this proposed legislation. I simply received a notice that there would be a meeting on the 4th of February—a meeting of the committee.

The CHAIRMAN. I do not know that you have filed a protest against the bill, and if not that may account for your not receiving any notice. We have not had any written replies to communications we have not received.

Mr. McCAMMON. I received a notice of the meeting and I thank the secretary for that.

Mr. HUGHES. Are there not any of the opponents of the bill here who are ready to go on and take up some of the time?

The CHAIRMAN. Are there no representatives of any organization here ready to go on this morning?

#### STATEMENT OF MR. EDWIN DAVENPORT.

Mr. Chairman, I am an attorney at law, practicing at Bridgeport, Conn. I represent an organization with a various and numerous membership in different parts of the country. Over a hundred of them are in Connecticut. I will say that the membership is private. The organization is formed for the purpose of aiding in the enforcement of laws, particularly the law against boycotting, and those members look upon this bill as an attempt to boycott every concern in this country which is not willing to arrange its affairs according to certain

requirements that they find impossible. Those members will be unable to enter into competition. In other words, it is an attempt by law to boycott those establishments.

I came down here to-day for the purpose of expressing to this committee the opposition of that organization and its members, and for the purpose of giving to this committee information to show you how the employers of this country are opposed to this bill, and, further, information that the individual workingmen of this country are bitterly opposed to this bill.

It so happens, Mr. Chairman, that when this movement that I speak of started I was requested to go out over the country for the purpose of interviewing employers, manufacturers, for the purpose of interesting them in that movement, and it has fallen to my lot to visit probably several thousand establishments; and I have come in contact with the managers of those associations and I have made it my business, as far as I could, to go into their works and talk with the men to see whether or not they believed in any such measure as this, and I am prepared at a suitable time to lay before this committee the information which I have obtained. A greater mistake was never made in the world than to suppose that the workingmen of this country are in favor of any measure which will deprive a man who may be off to-day on account of sickness or any other thing from making up that time. If you limit him to eight hours a day, six days in the week, I say that when the matter is explained to the individual workingman he is opposed to it.

I have also the information to impart to the committee in regard to the attitude of the employers on the subject, which I have also gathered. I am a little surprised to learn, however, that opposition is made here to a bill first—that is, that the opponents of a measure are first heard. I supposed that the sensible and ordinary way of getting at it would be first to hear what is said in favor of a bill. Perhaps after what has been said in favor of it has been heard the committee might not think it was deserving enough to require any answer. It seems that the practice has been rather to put the cart before the horse here and to require those who oppose a bill to advance arguments why it should not be passed, in order that they may be met.

Now, if the programme—

The CHAIRMAN. Pardon me. Is that not a very general practice in legislative proceedings—that gentlemen come before committees to be heard on a bill in protest?

Mr. DAVENPORT. My experience in that regard is very limited. I have had no other practice than that before the legislative committees in Connecticut, and there we pursue the other course. But so far as that is concerned, that is immaterial. If the opponents are to go ahead, then at the proper time I would like to present to the committee reasons why this bill ought not to be passed, as I have gathered them from the extremely intelligent gentlemen who represent these great establishments, and as I have gathered them also from the working men themselves.

How late does the committee sit to-day, Mr. Chairman?

The CHAIRMAN. The usual time for adjournment is 12 o'clock, but I do not know that our presence is required in the House, and perhaps the committee could go on for several hours.

MR. DAVENPORT. If the matter is to go over for a week I will ask the privilege of being heard. Of course I know there are other gentlemen who wish to be heard, I know there are great interests represented here, and of course the committee will accord to all a hearing adequate to the importance of the questions involved. I would prefer, so far as I am concerned, for those I represent, if an opportunity could be given to me a week from to-day, say, for an hour and a half, to lay before you what information I have, as well as something in the way of argument.

THE CHAIRMAN. Without objection, the hearing of Mr. Davenport can be made a special order for next Thursday morning at 10.30 o'clock.

MR. CALDWELL. Do you expect to have both employers and employed here next Thursday?

MR. DAVENPORT. No sir; I expect myself to be a witness. I propose to state to this committee what I know about this business, and I would say it would take an hour and a half for me to do so. And I would solicit the opportunity, on account of my other engagements, of being heard—if no one else wants to be heard—at that particular hour.

MR. CALDWELL. In addition to your argument against the bill, do you propose to have persons here representative both of labor and the employers of labor as witnesses?

MR. DAVENPORT. No, sir.

MR. CALDWELL. Simply your own statement against the bill?

MR. DAVENPORT. Yes, sir.

MR. McCAMON. Your own statement based on your own experience and investigations?

MR. DAVENPORT. Yes, sir; absolutely. If this committee would undertake to do what I have done this bill would never see the light of day from this committee. The so-called representatives of the laboring class here are no more representative of them than light is of darkness.

MR. GOMPERS. You can readily understand the bona fide character of the gentlemen's clients when he will not even bring any of them here.

So far as we are concerned, myself included, we who favor the passage of the bill, we have at no time failed to produce men who could testify of their own knowledge, and of their own ability to work, men who have worked and who were working at the particular trade they testified about, and who were experts at their trades. Of course, when a man comes here and in some mysterious fashion says that he represents a body of men whose membership is private and whose names I doubt he will give to your committee—that is one side of the case. On the other hand, we come here representing more than 2,000,000 organized workmen and 24,000 local unions, of which the chairman spoke a few moments ago in connection with another matter, whose names and addresses are published broadcast throughout the country, whose names we give to you gentlemen.

Let me say, further, gentlemen, that there has not been a gathering of 25 workmen in the United States at any place within the past fifty years who have had under consideration the question of the hours of daily labor but who have gone on record unqualifiedly in favor of an eight-hour workday. These are the men I represent. Whom does



this gentleman represent? He may represent a number of employers of labor, of respectability and eminence, but whose existence is private; and what he may say as to the views of workmen whom he has interviewed as the representative of that private organization of employers—well, you can very well imagine what an individual workman would say to this attorney of the employers' association, whose existence is private.

Mr. GOEBEL. Do you not think that may be a good argument after it is heard?

Mr. GOMPERS. But he has made the statement—

Mr. GOEBEL. I understand he simply says now that he desires to make a statement. The question before this committee now, I submit, is in what order we shall proceed.

Mr. GOMPERS. But if our honor is impugned I think we ought to have an opportunity to be heard.

Mr. HUGHES. The statement was made that Mr. Gompers does not represent the workingmen of this country.

Mr. GOMPERS. And I am simply trying to show, in answer to that, the relative positions that the gentleman occupies and that we occupy before this committee.

The CHAIRMAN. Without objection, the special order for next Thursday is the hearing of Mr. Davenport at 10.30 o'clock. He will be given one hour and a half.

Mr. CONNER. I understand, Mr. Davenport, that you will have no representatives here from the manufacturers, or from among the workingmen either, at that time?

Mr. DAVENPORT. No, sir.

Mr. CONNER. In what way will you convey to us the protest that the laborers themselves make to this bill?

Mr. DAVENPORT. I am going to give you the information which I myself have. Now, then, gentlemen, if it were an issue between myself and Mr. Gompers as to whether our statements are correct or not, if this committee will undertake by subpoena to get the attendance of these people here it will be very easily determined; but, of course, what I say the committee can take and give what weight it chooses to, and what Mr. Gompers says it can take and give what weight it chooses to. What I did say was that if the members of this committee had gone around this country and interviewed the establishments, as it was my opportunity and my duty to do, they would get a very different idea in regard to this thing than perhaps they would get otherwise. So far as an imputation here of Mr. Gompers is concerned, I would like to ask, Are these intimations ordinary and common in hearings of this kind? Mr. Gompers, no doubt, thinks he does represent the great working people of this country—

Mr. GOEBEL. I submit, with all due deference—

The CHAIRMAN. The question was asked awhile ago as to how much time was given on this bill in the last Congress. The clerk has looked up the record.

On February 13 we began the hearings, and sat about all day. We had hearings on the 20th, 26th, and then on March 6, March 13, and March 18, both morning and afternoon sessions on the two last dates mentioned, and closed up the work. So hearings were held on six different days, and the time consumed was equivalent to nine or ten ordinary sessions.

Mr. SPALDING. I have read very carefully the hearings before the last Congress, and in reading them over I was impressed very strongly with what seemed to be one fact or condition—and I am more impressed with it this morning—and that is that a great part of the time was taken up with criminations and recriminations, which were entirely useless and out of place. Now, I have other business to perform and other duties, and I think all of us here have. I want individually to give this matter the fullest and most careful and candid consideration, but I do not want to spend a great deal of time here that is utterly useless, and it seems to me that when either side starts out on these charges and recharges the speakers should be called down, and if they do not desist then, that they should not be heard further.

The CHAIRMAN. There has been too much of that.

Mr. CALDWELL. Is it not a fact that we defined a difference between hearings and arguments, and that we gave a certain amount of time for argument for and against the bill at the close of the hearings in addition to the hearing of witnesses, and were not all those arguments at the close of the hearing?

The CHAIRMAN. We had arguments on what was called the testimony, yes. The fact is, however, that most of the hearings were arguments, and then there were arguments on the arguments.

Mr. CALDWELL. We had a great many men here who occupied something of the same position that Mr. Davenport occupies; we heard a great many statements from both sides, and then we heard arguments as to what weight should be given to the different testimony.

Mr. CONNOR. I understand Mr. Davenport comes here as a witness.

Mr. CALDWELL. I understand he is to make an argument.

Mr. CONNOR. He comes here to testify as to what he has discovered.

Mr. HUGHES. That is hardly testimony.

Mr. CONNOR. I am wondering how he can convey to us the conditions he has found without bringing any witnesses here. Are we to learn about this on written information, Mr. Davenport, or are we to take your statement?

Mr. DAVENPORT. You are to take my statement as to the facts.

Mr. GOEBEL. I think the suggestion of my friend on the right (Mr. Gilbert) was a good one, namely, that some one should go through the printed record of testimony, as heretofore taken by the committee, and make extracts from that testimony. Let both sides take that record and go through it and then present that to the committee. We will gain something in that way, and then if there is any additional evidence on either side let it be presented. It seems to me that would facilitate the matter, and in that way we will not go over things we have gone over before.

Mr. HUGHES. That was the very thing we were driving at the last time this bill was up before this committee. The evidence had been put in and every argument for and against the bill was in writing, and it was assumed that the members of the committee would make themselves familiar with that; and, as I understand it, the object of the committee then was to have the opponents of this measure come forward and advance anything new that might be pertinent to this particular bill, or that they might have discovered since the last hearing.

Mr. BARTHOLDT. Mr. Chairman, I would suggest that any argument among the committee as to the bill should be made in executive session.

The CHAIRMAN. Yes; of course that comes at the close of the hearing on the bill. As Mr. Hughes has said, it was understood that each member would familiarize himself with the testimony offered, but members familiarizing themselves with the record of the previous Congress and having it before them in this Congress, and having it before them so as to go into the record at this time, is another thing. The only way to get the hearings of previous Congresses in the record is to extract and summarize such portions as it is desired to have put in.

Mr. GILBERT. So as to get the benefit of all the testimony offered before on each side and avoid the necessity of rehashing that testimony—

The CHAIRMAN. Yes.

Mr. CALDWELL. You scarcely mean *all* the testimony; you mean such testimony as those in favor of the bill and those opposed to the bill deem is important?

Mr. GILBERT. Yes, sir.

Mr. BARTHOLDT. I believe the committee has decided to hear Mr. Davenport next Thursday?

The CHAIRMAN. Yes.

Mr. BARTHOLDT. If there is no one else present who wants to go on this morning I move that the committee go into executive session.

Mr. DU BRUL. Mr. Chairman—

The CHAIRMAN. Please give your name.

Mr. DU BRUL. Du Brul. I am representing the National Metal Trades Association, which has never appeared here.

I wrote to the committee and asked whether it would be possible to set aside half a day, say, to hear from the members of our association. Our association is comprised of manufacturers. A great many of them are engaged in Government work and this bill affects their interests very seriously. I would like to have half a day to be heard, and if it is decided that Mr. Davenport will take next Thursday, I would like to know what day it would be convenient to the committee to hear me. I received no reply from the committee from that letter except that the matter would be decided to-day—that a meeting would be held to-day. It was so indefinite that I did not go ahead and arrange to have anyone here to-day. As I have said, we would like to have some time, probably half a day, say a week from next Thursday, if that is convenient. We would like you to hear from men who are engaged in Government work, so that the committee can get information directly at first hand, and we will have an argument to submit based on that testimony.

Mr. GOEBEL. You want a day a week from next Thursday?

Mr. DU BRUL. Yes, sir.

Mr. CALDWELL. Where are your headquarters?

Mr. DU BRUL. Cincinnati.

Mr. GILBERT. It seems to me we will have to have a meeting oftener than once a week, Mr. Chairman, in order to hear all those who wish to be heard.

The CHAIRMAN. I think probably we will have to have more frequent meetings, yes; that has been our custom before.

I will say to the gentleman that I could not comply with his request to fix a day for a hearing, because the committee has to determine that

itself. And also, if you will recollect, two weeks ago the suggestion was made here, and I think it was understood, that the representatives of the two sides should submit schedules of what hearings they wanted, and that with that schedule before it the committee would have to determine dates, and I made as much publication of that as possible; but I could get nothing before us in the form of a schedule or information so that we could intelligently fix a schedule, and my experience is that you never do get it, so you can fix dates, until the hearings have begun.

Mr. DU BRUL. I would anticipate having at least four or five witnesses here.

The CHAIRMAN. Well, will you be here one week from Thursday?

Mr. DU BRUL. That is two weeks from to-day?

The CHAIRMAN. Yes, sir.

Mr. DU BRUL. Yes; that would suit me very well.

Mr. SCHULTEIS. Mr. Chairman, on behalf of the national legislative committee of the Knights of Labor, of which I am chairman, I wish to state that we have been before this committee ever since 1868 on this eight-hour proposition, and we will only require about one hour of time, and we would like it as soon as possible.

Mr. GOEBEL. What time would you like it?

Mr. SCHULTEIS. At your earliest convenience.

Mr. GOEBEL. Have you any day to suggest?

Mr. SCHULTEIS. If agreeable I can go on to-day.

The CHAIRMAN. Could you not be heard two weeks from to-day, along with Mr. Du Brul?

Mr. SCHULTEIS. That would be very agreeable.

Mr. BARTHOLDT. Can we not hear the gentleman next Thursday?

The CHAIRMAN. We have two gentlemen to be heard next Thursday—the National Manufacturers' Association and Mr. Davenport.

Would it be practicable at this time, Judge McCammon, or Mr. Davenport, to get the construction of the opposition of this bill in the record in regard to the effect of some changes which the Senate has made? The bill considered last year read:

"Nothing in this act shall apply to contracts for transportation," and so on, "whether made to conform to particular specifications or not."

Now, right there the Senate has thrown in an amendment—

or for the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not.

What does that remove from the bill, or what will it be contended is still in the bill in that particular, or are the opponents yet unprepared to put in the record their construction?

A MEMBER. What page is that?

The CHAIRMAN. Page 3, beginning at line 6. This amendment will be found in lines 10, 11, and 12; that is, the amendment of the Senate.

Mr. McCAMMON. Without desiring to reopen the controversy I will say that the question by the chairman only illustrates what some of the opponents contend—that the friends of the bill should explain exactly what the bill does mean. As to the particular legal definition of those particular words I am not prepared to say.

The CHAIRMAN. The friends of the bill did not put those words in.

Mr. McCAMMON. It has been suggested, however, that the Govern-

ment might want to purchase supplies in time of emergency, "whether manufactured to conform to particular specifications or not," and it is true, I can well see, that some persons could contend that a ship of war is a supply and, therefore, is excepted from the provisions of this bill.

But really, Mr. Chairman, I do not feel as if I was prepared to go any further than that.

The CHAIRMAN. I think that there is nothing more that we can accomplish this morning, then.

Thereupon, at 11.45, the committee adjourned until Thursday, February 11, 1904, at 10.30 o'clock a. m.

THURSDAY, *February 11, 1904.*

The committee met at 11 o'clock a. m., Hon. David J. Foster in the chair.

The ACTING CHAIRMAN. In the absence of the chairman I will call the committee to order and suggest that we go on.

#### STATEMENT OF MR. DANIEL DAVENPORT, OF BRIDGEPORT, CONN.

Mr. Chairman and gentlemen of the committee—

The ACTING CHAIRMAN. Before commencing, please state what you represent.

Mr. DAVENPORT. I will. As I stated the other day, my name is Daniel Davenport; I reside in Bridgeport, Conn.; I am a practicing attorney there, and I am the executive agent of the American Anti-Boycott Association, an association of manufacturers formed for the purpose of aiding in the enforcement of the laws, particularly the law against boycotting, using that term in its comprehensive sense, as the boycott of a man or a man's business or his products. Inasmuch as the members of that organization look upon this measure as an attempt to legalize the boycott by driving out from any opportunity to compete concerns in this country which do not care to run their business upon the principles laid down in this bill, they are very much opposed to this measure.

As I stated the other day, the membership in that organization is private—for reasons which I will explain a little later—but the existence of the organization is known.

I also speak here for the following associations: The Architectural Iron League, of Chicago; the Building Elevator Association, of Chicago; the Chicago Mantle and Tile Dealers' Association; the Chicago Masons and Builders' Association; the Chicago Master Steamfitters' Association; the Carpenters and Builders' Association, of Chicago; the Cut-Stone Contractors' Association, of Chicago; the Marble Manufacturers' Association, of Chicago; the Master Carpenters' Association; the Mosaic Dealers' Association; the Sheet Metal Contractors' Association, and the Electrical Contractors' Association; the Master Painters and Decorators' Association, of Chicago.

These associations together make up what is known as the Chicago Building Contractors' Council and comprise a membership of about

1,300 concerns. And I understand that I speak also in behalf of the allied interests of the character represented by those associations of which I speak throughout the country, and I also understand I speak also for those great interests which are concerned in doing public work for the Government in the nature of dredging and harbor work, whatever has to do with the public work, and also those people that will have to do, probably, with the building of the Panama Canal—all such interests.

Now, the special interest of this last class is what I want to direct your attention to before I proceed to a more general consideration of the subject.

It was supposed that in August, 1892, socialistic legislation of this character had reached its high-water mark.

Mr. HUGHES. What year was that, sir?

Mr. DAVENPORT. August 1, 1892. In that year Congress passed a law, as you probably know, which forbade, made it unlawful, for any contractor or subcontractor doing work upon the public work to require or permit any laborer or mechanic to work more than eight hours in any calendar day, and further imposed the savage penalty upon any contractor or any subcontractor who intentionally permitted any man to work more than eight hours on any such work in one calendar day of making him liable to a fine of \$1,000 or imprisonment for six months, or both, at the option of the judge before whom he might be tried. I say it was supposed that legislation of this character had then reached its high-water mark. But the measure which I understand is before this committee for consideration piles on the agony far beyond that under the law as it stands to-day. Any contractor who intentionally violates this law is liable to penalty; any subcontractor who violates the law is subject to that penalty. This bill leaves that law still in force, and proceeds further and makes the contractor liable to a heavy fine; that is, a penalty of \$5 for every man employed whether he does it intentionally or not, not only for himself but for the subcontractor, and whether the subcontractor is intentionally violating the law or not.

In other words, it is proposed by act of Congress to make the contractor responsible for \$5 per day for every man whom the subcontractor may permit to work. You know this country has been a great building country; its population is now 80,000,000 and soon will be 150,000,000, and soon perhaps will be 250,000,000. I understand the purpose to put on the statute book, there to remain during the coming ages, a provision that any employer, any contractor that is engaged upon the public work is made responsible under this not only for his intentional acts but for his unintentional acts and for the acts of the subcontractor whether those are intentional or not, the provisions of which are manifestly unjust and tyrannical in view of the enormous savage penalty that already under the existing law is imposed upon them, and I should think that any man would hesitate to support such a measure. At any rate the great interests for whom I speak recognize the fact that a crying injustice is about to be perpetrated upon them and they do not know what they have done to deserve it. Now, gentlemen, it is needless to say that the great interests that are represented here in this humble way are very seriously disturbed at what you may call the movement which has brought about this state of affairs. They are alarmed, and properly so, for they know that the doctrines which are

the principles of a great many of those organizations which favor such measures are these.

I hold in my hand the declaration of principles prefixed to the constitution of the International Union of Textile Workers. The declaration of principles of the Amalgamated Glass Workers and Wood Workers are the same with one or two words changed, and the Brewery Workers and the Bakers have adopted the same resolutions in substance, phrase for phrase, though with a different choice of words. I took this from the Industrial Commission report. The representatives of some of those organizations are officers of a still larger body, called the American Federation of Labor.

Now, I want to read as illustrative of this matter, and as showing why these interests are so profoundly stirred and alarmed, this—

This is the declaration of principles:

Society at present is composed of classes whose interests are highly antagonistic to each other. On the one side we have the proprietary class, possessing almost all the soil, all houses, factories, means of transportation, machinery, raw materials, and all necessities of life. In comparison to the entire people this represents a small minority. On the other side we have the workmen, possessing nothing but their intellectual and physical power with which to labor, and which they must sell to the possessors of the means of production in order to live. The workers represent millions.

The interest of the possessing class consists in buying the productive power of the laborer as cheaply as possible, in order to produce as much as possible and to amass wealth.

The few hundred thousand proprietors arrogate to themselves the larger part of the wealth produced by the workers.

The laboring millions receive from the product of their labor only so much as is necessary to live a life of misery and starvation.

Every improvement in machinery, every new discovery of hitherto unknown forces in nature, the proprietary class arrogates to itself for the exclusive purpose of increasing its possessions. Through this process human labor is more and more displaced by machinery.

The workers having become superfluous are compelled to sell their labor at any price in order to save themselves from starvation. The value of labor gradually decreases; the laboring people are being impoverished more and more; their consuming power is more and more lessened, and the consequence is that the commodities produced remain upon the market without being bought by anyone. Commercial stagnation sets in, production is decreased, and even partly suspended. The crisis has arrived.

The proprietary class presses into its service the power of the State, the police, militia, press, and pulpit, to protect the possessions produced by others, and to declare for the sacredness of property, while the millions of the working people are left without the means of existence, without rights and unprotected, betrayed, and sold out to their enemies by the State; by the press and by the pulpit the arms of the police and of the militia are directed against them.

In consideration of these facts we declare—

1. That the laboring class must emancipate itself from all influences of its enemy, the proprietary class; that it must organize locally, nationally, and internationally, for the purpose of setting the power of the organized masses against the power of capitalism; and that it must see that its interest be represented in the mills, workshops, etc., and in the different branches of the local, State, and national administrations and governments.

2. National and international trades unions are apt to exert a powerful influence upon production, prices, the hours of labor, the regulation of apprenticeships, and to support their members, in all the different phases of life.

3. The combat through which they have naturally to go with the organized power of capitalism leads them to recognize that all trades unions must form one great powerful body; the solidarity of the interests of all is proclaimed; the workers mutually assist each other. Soon the fact will be recognized that the entire system of production rests upon the shoulders of the laboring class and that if the workers only display their firm determination and exert their power a new system based upon justice might easily be introduced. Arrayed against the power of capitalism

and its minions stands the power of the laboring masses, self-reliant and conscious that they possess the power with which to overwhelm their antagonists.

4. There is no power on earth large enough to resist the will of such a majority; if it be enlightened in regard to its rights, it will accomplish its aims and objects irresistibly. The right of nature is upon its side. The earth, together with all its wealth, belongs to mankind. The results and triumphs of civilization have been achieved through the course of thousands of years and with the assistance of all nations. The organized workers will come to carry into reality these principles, and they will establish a state of affairs under which everyone will enjoy the fruits of his labor.

That is the declaration of principles prefixed to the constitution of the International Union of Textile Workers, the declaration of principles of the Amalgamated Glass Workers and of the Wood Workers—which are practically the same with one or two exceptions—and also of the Brewery Workers and of the Bakers, which are the same phrase for phrase, although with a difference in some words.

The difference seems to be only the difference in translation from a common German original.

Now, I say, gentlemen, that those great interests for which I assume here to speak are alarmed; that a movement has already attained such great dimensions in America is something that gives them pause, and I leave it to you gentlemen that they have reason to be alarmed. I put it to you individually and personally, gentlemen, because this is a question that transcends all local matters and individual matters, too, if it were to please God to-night to call you into the eternal world, if you were this night to leave your wife a widow and your children fatherless, could you go, when you know doctrines like this and organizations like this are in existence; could you go in the confident assurance that organized society will preserve and protect and defend them—I do not speak of their children, but to them—the fruit of your labors and your savings and your anxieties? And I put it to you also, gentlemen, whether you feel that as citizens, apart from your official positions, it is not incumbent upon you to rise to the dignity of this occasion and this subject and this matter and do what in you lies to check the progress of such a movement, much less to turn the great engine of the United States Government into the means of still further advancing such a movement?

Now, gentlemen, I myself profess to be as ardent a friend of the working man as any other man is. I profess to be, and I trust I am a friend of the working man. A labor union or an organized movement of any kind which had for its end the betterment of mankind would meet certainly with my hearty approval. If these organizations were formed for the purpose of making better workmen, for stimulating them in every way to improve their conditions, for purposes of benevolence, or for the purpose of advancing civilization, I believe that I as well as every other person would be heartily in favor of them; but let me say to you, gentlemen, I think it is within the common knowledge of most of you that those organizations are not in their practical operation of that character. As I have read to you, very many, if not all of the leaders of these labor organizations are open and avowed socialists, and they are using those organizations for the purpose of propagating their doctrines. In the next place, they are weakening the ties of citizenship, because they put before their members no other sense of community obligation save that of the platforms of their organizations. They are teaching widespread disregard of the rights of others equally entitled with themselves to the protec-



tion of organized society, and they are teaching widespread disregard and disrespect for law.

But what is worst of all, or as bad as anything, they are instilling hostility in the minds of the laboring classes toward those who have control of the implements of production, instead of fostering a spirit of friendship and good will between them, which is essential to all civilized society; and then you have this kind of legislation here which demands discrimination, that makes discriminating demands upon Federal and State and municipal authorities. And then, too, they have already gone very far, and if this bill becomes a law it will have gone still further, in destroying freedom of contracts between the individual employer and the individual employee. Then, too, who does not know that in times of strikes, when men who have stood by the employer and defended the property which is essential to production, they demand the discharge of those men, and the reinstatement of those men who have been either directly or indirectly concerned in attempts to destroy them, thereby putting a premium upon disloyalty and crime. And, last of all, gentlemen, they bring our public courts into disrepute and reproach in their journals and in every other way, abusing the judges for their attempts to administer the common law of the land.

Now, gentlemen, this question of how to cope with this problem is certainly a very serious one. I trust that I do not exaggerate it, and I trust that you will not minimize it.

In my opinion the recovery of the right of every man to run his own business according to the dictates of his own best business judgment and of the right of every man to work, every man who has nothing but his hands and his dexterity to live by, whether he belongs to a union or not, without being molested or made afraid, is the most serious political, economic, and social question this country has ever been confronted with in all its history. It seems to me so; it seems to me that even slavery and secession were insignificant problems in comparison with it because those evils were local. They were so manifestly opposed to the great interests of a great section of the country that it was possible to cope with them and extirpate them without overturning the foundations of society. But here you have got something that, from the Atlantic to the Pacific and from the Gulf to the Lakes, is eating like a cancer into the very vitals of our institutions, something which denies and paralyzes the fundamental rights of the citizens.

I know that we are apt to be very optimistic. I know we are apt to hope and think that this will all pass away and nothing troublesome come out of it, but I must confess that I look upon it with that degree of seriousness that I look upon any great social disease. In confronting this problem we have got to look at certain permanent social facts of the situation.

I am very glad that the distinguished gentleman, the representative of a great organization (Mr. Gompers), is present to hear what I have to say, and I put the philosophy of the matter before him. You know, as has been well said, we can change a great many things in this world. We can change our style of cooking, we can change our style of dress, we can change our language, we can change our religion, we can change our form of government, and we know that with the lapse of ages and the coming and going of the generations those things do change; but

there are certain other things that we can not change, and one of those is the fundamental relation of the employer and employee. Like the relations of husband and wife, and parent and child, and guardian and ward, they are, as you gentlemen of the legal profession know, the fundamental relations of society. And when you consider what is necessary in every form of collective activity among men you see why it is unchangeable. You can take, as has been said, the two great types of collective activity among men, that of fighting and that of working. In the lapse of time, gentlemen, there have been great changes in military organizations; there have been changes in their uniforms and in their watchwords, and their arms, and their tactics, and all that; but there never has been a time and there never will be a time when there are not great armies commanded by few men of great power and great responsibility, and any attempt that has ever been made to weaken that relation or lessen that authority only operates to the destruction of the army.

An army operated on the cooperative plan is impossible, for the very simple reason that it can not compete with an organization of the other kind. Similarly, when you turn to the industrial world you know there has to be somebody to look over the field, somebody who has got to know what to be bought and when to buy, what has got to be made and how it is to be made, and when it is to be sold, and to give the orders. The relation there is as absolutely necessary as in the other, and so it comes to pass that we may say that there never will be a time when there are not a few persons, relatively the few that are attacked in this declaration of principles, who have control of the implements of production and who have large armies of working-men under them. Every attempt to settle this great problem which ignores that fundamental and enduring and permanent fact is all quackery, all humbug. I know not what other disorders, what frightful disorders society must yet pass through, but I do know that civilized society will never give up the relation that I have described for the very simple reason that the infinite wants of man and the infinite services that are to be rendered to supply those wants can never be as effective and efficiently rendered as in the way that I speak of, and you can depend upon it that society will never give that up any more than it will give up the principle of one man and one woman as the head of the family.

I want to come down to this bill now, and all other bills like it, and to submit to you some observations relative to this subject-matter that is before you. It is proposed, as I understand this bill, to have the Congress of the United States of America inflict a penalty, and a very heavy penalty, too, upon any employer who falls within its provisions, permitting a man to work more than eight hours a day. It makes no difference by the terms of this bill whether the work is hard or easy, whether the man is strong or weak, whether he is a man who can afford not to work but eight hours a day; it applies equally to such a man as it does to the man who has a family. Perhaps a man's wife is sick, it may be, perhaps, that the funeral expenses of his dead child have been unpaid—

Mr. HUGHES. Did you say inflict a penalty on the man who works?

Mr. DAVENPORT. Upon the employer who permits a man to work, that man who may be entirely able to work, who is impelled by every affection of his heart to desire to work, it is proposed that the Con-

gress of the United States shall impose a penalty, and, as you know, a very severe penalty, upon an employer who permits that man to work. And who asks for it? Why, gentlemen, we are told that labor demands, that labor demands that a law so tyrannical as that shall be passed. Why, gentlemen, during the French Revolution, when Madame Roland mounted the scaffold she saw standing before her in the Place de la Concord that plaster statue of Liberty, which the French people had erected there, and as she gazed upon it she exclaimed, "Oh, Liberty, how they have juggled with you!" How has labor come about to such a position that it is in favor of enactment of laws which would operate in numberless instances, probably in a majority of instances, to deny to an individual workman the privilege, the opportunity, of working?

I took the liberty the other day of saying that the distinguished gentleman who appeared here in the name of labor (as he said, in the name of 2,000,000 laboring men) and demanded the passage of this bill as an uplifting measure for the good of the workingmen, and as their especial representative, did not really represent them. He took offense, perhaps—

(Mr. Furuseth here handed the speaker a glass of water with the remark "An evidence of the good will of labor.")

Mr. DAVENPORT. The laboring men always were my friends. Whatever I ever had in this world in the way of political preferment I owe to the workingmen, and I was never more their friend than when I appear here before you in behalf of what, as I understand it, is in the interests of labor. I drink to the health of the gentleman from California (Mr. Furuseth).

Now, that leads me to tell you a little more, if you will overlook the apparent egotism in the matter. I want to tell you a little more of what I am and why I am in this connection. I live in Bridgeport, Conn. That is some 25 miles from a town in Connecticut called Danbury. There was a man up there who was running a little hat business, and he had been a workman. He never discriminated in his life against a workman, whether he was a union man or not, and he was confronted by a demand of an organized body of workmen that he should unionize his shop, discharge these nonunion men he had in his shop; and because he would not do that they did what? They put him, in the nomenclature of the labor unions, under the boycott; they put in practice the teachings of the great representative of the laboring classes, Mr. Gompers, in his journal. They put several men out on the track of his salesmen all over the country, going from city to city, and from State to State, warning his countrymen that if they handled his goods their business would be boycotted, and saying to his customers, "If you handle those goods, you will be boycotted." And with the result that they made a very serious inroad on his business. He came to Bridgeport and told me about it. I said to him, "The American Federation of Labor has some twelve hundred thousand members—that is what they claim. They are all after you, and you can not compete with them; you can not combat that."

Well, certain gentlemen said to me, "Is it not possible to organize the great interests of society, the great manufacturing, transportation, mining, and mercantile interests of this country in an organization whose sole purpose shall be what every decent man ought to approve of, the enforcement of the laws?" And they said, "Now, the consti-

tutional convention is over"—I was the member of the constitutional convention then from Bridgeport—"why not go out and see the employers, go out and see the manufacturers, and tell them what there is about this thing, and see what can be done in order to face the thing?"

So, gentlemen, I started, without any letters of introduction, without any credentials, without any special qualifications for the business; and I went around this country seeing manufacturers—and let me say that when I started I had myself been largely infected with the notions which are promulgated in what is called the eight-hour philosophy; indeed, in the constitutional convention I supported by speech certain things along that line—but, as I have said, I started out and saw manufacturers, and I started with the notion that the employee class of this country, the workingmen, were a pretty badly used set of people. That is the idea I started out with. Of course, I was familiar with the arguments that with the introduction of labor-saving machinery and the high speeding of labor-saving machinery that the tension becomes so great upon the workingmen that it is a matter of humanity to cut down their hours of labor.

I also understood that the feeling among the workingmen was along that line, and of course I was familiar with this argument by which a man is supposed to lift himself over the fence by his boot straps, that if you only will stop these men from working so long they will not only give work to others—there being only so much work to go around—but besides that, they will go to spending and that will create a demand, or as it is put in the flowery and sentimental expression of the advocates of that philosophy, "If you will give a man shorter hours he will go off to the park, or he will go to the library; he has more leisure to think; he has more leisure to see things, and therefore his aspirations will be higher, his desires will be stronger, and consequently he will thereby become a greater consumer, and of course there will be created thereby a demand for the goods," which idea, you will see, is embodied in this declaration of principles. Well, I say I started. I traveled more miles than ever Saint Paul traveled in his fourteen journeys to found the infant church. By reason of our express trains and modern facilities for getting about, I went almost everywhere; I went everywhere as far as I could within the time I had, and necessarily I came into contact, in the first place, with the heads of these establishments. I would have some difficulty in getting in, but I managed, one way and another, to get in and talk to them on this great question and of the necessity of this action. And then before long I was absolutely appalled by the magnitude and diversity of the manufacturing interests of this country, and I began to be curious to see how these things are done.

The idea of taking a little raw material and putting it through a lot of processes and turning out something of value to society and getting your money back—that was a perpetual miracle to me. So I would go into these establishments, not as was suggested by my distinguished friend [Mr. Gompers], as a representative of these employers, nor going among them for the purpose of finding out what they thought by questioning them as if I was one of Mr. Hearst's reporters, representing one of his papers, coming to them in that way, but I went to them as you would, or anybody else, going through those establishments. And so, gentlemen, I stood by many a lathe, I stood by many

a loom, I stood in many a shoe shop; I went around the whole thing. And now, gentlemen, I have put this question to them, and I put it to them very pointedly: "Would you be in favor of a law which deprived you of the privilege of working more than eight hours a day if you wanted to?" I never found one that said he was in favor of it. They are not in favor of it. Now, gentlemen, I tell you—

Mr. GILBERT. Whom did you talk with, the employers or the employees?

Mr. DAVENPORT. The employees. For instance, I went down to Philadelphia. There are those great Baldwin Locomotive Works. Of course, when these business men were away it was a waste of time to go to their offices. I went around the Baldwin Locomotive Works there, and there were 6,000 or 7,000 men at work in that establishment. Repeatedly I went and stood among them. Down at Cramp's shipyard I did the same thing; they were at work there and I went among them; I talked about these things to them, just simply as any other intelligent person would do who wanted to know about things—wanted to get information. Now, gentlemen, those men are not fools. They have got that same hard-headed intelligence that you have got, and I tell you that there is no greater risk that any party or any man ever assumed than to put himself upon record as in favor of denying the right of any individual workingman to work more than eight hours if he wants to. That man or that party who stands sponsor for such a doctrine as that I tell you is going swiftly to political destruction, and rightfully, too. The individual workingman values his opportunities. He wants short hours, but he wants short hours with the privilege of working more and making more. Do not be deceived about this. I know that the distinguished representatives of organized labor who hear me do not believe it; they think that they have gathered the sense of the workman and they are here for the purpose of expressing the fact to be other than that.

Now, if you want to make a test of this thing, if you want to do the sensible thing, put a plank in the platform of your Congressional district that you are in favor of a law, that you will vote for a law, which will deprive the workmen of that district of the privilege of working more than eight hours if they want to. Just make a test of it. I ask you to do it. Instead of assuming that I do or do not know what I am talking about, or that these gentlemen do or do not know what they are talking about, if you want to find out what the American people want, of whom of course the working people are the great and vast majority, put it in your platform and run for Congress on it. The Hon. E. J. Hill, of the Fourth Congressional district of Connecticut, is my Representative. Although I have been a Democrat all my life, and have eaten and drunk and tasted and smelt and swum in and advocated Democracy from a thousand stumps, I was obliged twice to vote for E. J. Hill. If you want to test this thing, let Mr. Hill come up to Connecticut and stand on this platform, and then if the American people, or the people in his district, are in favor of it, then let him vote for it. But do not attempt to put through a law so tyrannical as this without first giving the American people a chance to say something about it.

Mr. GILBERT. Suppose the manufacturers and employers have an association by which they could dictate the number of hours to labor: Your major premise is that each individual laborer would be per-

mitted, in the absence of this legislation, to select the number of hours he would be required to work. Suppose that the individual laborer would have no chance as against the organization of the employers, and that his employers would dictate to him the number of hours of labor he must work.

Mr. DAVENPORT. So far as that is concerned, I do not understand that there is any organization, nor is there likely to be any organization of employers to do that; but let me say that the great interest of society is that the employer and the employee should be left entirely free to do as they please about it.

Mr. GILBERT. If that is true, if you were to put them on an equality, where each individual laborer would have the perfect right to contract for himself without any restraining influence, perhaps that would be true; but assuming that he has not that power, that he is a mere creature in the hands of a vast number of employers—

Mr. DAVENPORT. I do not think that the State ought to attempt in any way to declare it by law. But the great point that I was making is that if you are going to pass a law on that subject, be quite sure that you know what the individual employee and the great mass of the employees want.

Now, I know that it can be very well said, "Why, humph, you represent here a great organization of men who for reasons of their own keep the membership secret, and you went among them as their representative and you were tinged with their views, and you are not a good reporter of the thing, and we prefer to take the views of the other gentlemen."

Now, gentlemen, all I will say to you on that point is that I speak as I would like to be spoken to myself. If I were in your position and you were in mine I should thank you if you came to me and told me the truth about this matter, if you knew it. Now, let me say, speaking with all the sincerity that fairness between man to man demands, that the working people of this country, from the extensive connection that I have had with them, coming in the way that I have said, are not in favor of it, and if this thing is fought out before the American people I believe you will find that my judgment and my testimony about the matter are well founded.

Now, let us turn to the other side of this question. I said to you the other day that the employers were opposed to this measure, and they are opposed to it, so far as I know, to a man. As far as my acquaintance goes among them, and it is very extensive, I find that they are unanimously opposed to it. They resent the interference with their liberty. In the second place, they insist that any such bungling arrangement as this interfering with their business will be destructive of their business, and they feel that their relations with their employees are not such as to warrant in anyway the interference by the Government in their affairs.

You have no doubt read the testimony given in former hearings. Let me say that that is only the expression of a universal sentiment, and I say to you, from the wide experience I have had among them, that the employers are opposed to this measure.

But I know I am in the presence of lawyers here, and I know that they are curious to know what we want to say about this particular bill. I have no doubt it has occurred to a good many of you gentlemen that there might be some question as to the constitutionality of

this bill. Let me tell you, gentlemen, the rock on which this bill will split if it ever becomes a law.

I have here a copy of the bill. You know this bill provides that every contract made in behalf of the United States Government or any Territory or the District of Columbia which involves the employment of laborers or mechanics shall contain a provision that no laborer or mechanic doing any part of the work contemplated by the contract in the employ of the contractor or any subcontractor contracting for any part of said work contemplated shall be required or permitted to work any more than eight hours in any one calendar day upon such work; and every such contract shall stipulate a penalty for each violation of such provision in such contract of \$5 for each laborer or mechanic for every calendar day in which he shall be required or permitted to labor more than eight hours upon such work, and it then provides that the officer who is to inspect the work shall report it to the proper officer, etc., and the one whose duty it is to approve the payment of the moneys under the contract shall withhold it. And then it provides that in case any contractor or subcontractor is aggrieved by the withholding of any penalty as provided, he shall have the right to appeal to the head of the Department making the contract, or in the case of a contract made by the District of Columbia, to the Commissioners thereof, who shall have power to review the action imposing the penalty, and from that final order whereby a contractor or subcontractor may be aggrieved by the imposition of the penalty provided, such contractor or subcontractor may appeal to the Court of Claims.

Mr. GILBERT. Did you observe that language there "who shall have power to review the action imposing the penalty?"

Mr. DAVENPORT. Yes, sir.

Mr. GILBERT. Suppose the action should not impose a penalty?

Mr. HUGHES. There is no necessity for review, then?

Mr. DAVENPORT. There would be no necessity for review.

Mr. GILBERT. There seems to be no power of review except where the penalty has been imposed.

Mr. DAVENPORT. Now, I want to direct your attention as lawyers to this proposition.

Suppose, for argument's sake, that the Cramps made a contract with the Bethlehem Steel Company as subcontractors, and we will suppose that the officer reported that the Bethlehem Steel Company's employees worked in defiance of the bill, and a report was made to the proper officer, and he withheld that money from the Cramps; that it went on up to the Court of Claims and they sustained it. Now, I will suppose that I represent the Bethlehem Steel Company and Judge McCammon represents the Cramps, and I come to him and I say, "I want the money that is due under the subcontract." "Well," he says, "you know the Government has withheld the money from me on account of your violation of this." (It may be that the Cramps to protect themselves have attempted to do the only thing they could do, put a stipulation in the contract that the Bethlehem Company should not do this thing; because you will observe that this bill relates only to the original contractor, the contract between the original contractor and the Government; or, perhaps, he might have a bond to protect him.)

He says the Government has withheld it. I say, "That is not true, my men did not work more than eight hours a day," or I may say, "You knew that they were working and you waived that"—one of those things or the other. And I bring suit. I say, "Here, I want

the money," and I bring a suit against the Cramps in behalf of the Bethlehem people for the recovery of the contract price. What court will I bring it in? We are citizens of the same State. The jurisdiction of the Federal court does not extend, except to controversies between citizens of different States, except as they contain a question arising under the Constitution and laws of the United States. I bring this suit in the State court. Now, waiving the question of whether because of the fact that there was this snarl about it, the law would permit him to remove it into the United States circuit court for that district, I go to trial on that case. I go to trial and he sets up this claim. He says, "By virtue of the law of the United States bearing upon this subject, the officers of the United States Government have withheld from me certain moneys that were due me," and I am to oppose that as a defense. I say to him, "I do not admit anything of the kind." We are entitled to a trial by jury. The jury finds the issue in favor of the Bethlehem Company. The Bethlehem Company can recover from the Cramps the amount of the obligation. Now, you have in this bill, gentlemen, as it is provided, and according to the machinery here, something which is incapable of being practically carried out—something that will operate in this way, and only in this way—it will make the contractor liable to the Government, and at the same time leave him exposed to the loss of that which he had on account of the conduct, supposed misconduct, of the subcontractor.

Mr. HUGHES. Can not he put the same provision in his contract?

Mr. DAVENPORT. What good would that do if he put the provision in the contract? He says here, "I did not do it, I did not break the contract."

Mr. HUGHES. The Government inspector does the work.

Mr. GILBERT. Could he not by intervening pleading—the plea of intervention, as they call it in the Federal court—bring you in and have the whole question determined there, and you have your day in court upon the original adjustment of the proposition?

Mr. DAVENPORT. But that has been withheld, it has been gone through with by this machinery. We say nothing now about the confusion and distraction of the contractor from the fact that his money has been withheld; but when it comes to the end he comes into the court, a citizen of one State and a citizen of another, they have the right to have their question tried by jury.

Mr. GILBERT. You claim that you would not be bound by any adjustment between the head of the Department and the original contractor, you not being a party to the original transaction?

Mr. DAVENPORT. That is it exactly.

Mr. GILBERT. You have not had your day in court and no opportunity has been given you to present the issues—

Mr. DAVENPORT. You have hit it; and not only that, but you can not deprive a man of having his day in court and his matter being tried by a jury.

Mr. GOEBEL (reading):

Any contractor or subcontractor aggrieved by the withholding of any penalty as hereinbefore provided shall have the right to appeal to the head of the Department.

Mr. DAVENPORT. He has that privilege, but suppose he does not care to exercise it?

Mr. GOEBEL. Of course, he might not want to exercise it. But I say, does not this bill provide this right?



Mr. DAVENPORT. But the point I make is, and I think if you study it you will come to the same conclusion, that you are expecting that the operation of this bill will mean to settle the matter by the proceeding being taken up to the Court of Claims.

Mr. HUGHES. Is it not precisely the same as if an architect was empowered to withhold money until he signed a certificate?

Mr. DAVENPORT. Certainly.

Mr. HUGHES. There is no trouble about the contravention of the State law in a case of that kind; that is done every day, is it not?

Mr. DAVENPORT. I beg your pardon; a State law that deprives a party of the right to resort to courts has been held over and over again to be unconstitutional.

Mr. HUGHES. But if they go into court on that contract—my experience has been that a contract of that kind would be sustained—and until the architect certifies that certain things have been done they will not be held to be done.

Mr. DAVENPORT. If it is a condition precedent to the right to recover that there shall be a certificate by a certain person, then, of course, the party is precluded by that.

Mr. GILBERT. Here is Mr. Davenport's point [reading from bill, page 2, line 15]:

In any such contract shall be directed to be withheld by the officer or person whose duty it shall be to approve the payment of the moneys due under such contract.

Now, that officer whose duty it is to disburse the public funds will pass upon the question in an ex parte proceeding and dispose of the question as to the amount of penalties to be retained. Then when he comes to distribute that to the subcontractor he has not had his day in court.

Mr. GOEBEL. But read on——

Any contractor or subcontractor aggrieved by the withholding of any penalty, as hereinbefore provided, shall have the right to appeal to the head of the department.

Mr. GILBERT. But the grievance of the subcontractor is against the contractor and not against the disbursing officer.

Mr. GOEBEL. Oh, well; but this includes also: "Whether the violation of the provisions of such contract is by the contractor or any subcontractor."

Mr. DAVENPORT. That is, of course, as between the contractor and the Government.

Mr. GOEBEL. Or any subcontractor.

Mr. DAVENPORT. As between the contractor and the Government as to the act of the subcontractor; but so far as the subcontractor is concerned this law does not make provision in regard to subcontractors.

Mr. GILBERT. The question of penalties or no penalties is adjusted between the disbursing officer and the contractor.

Mr. DAVENPORT. And the provisions of this bill are limited only to the original contract; it does not undertake, and I take it it goes beyond belief that they meant to undertake——

Mr. GILBERT. That is a very just criticism upon that language there.

Mr. DAVENPORT. Just observe the language of the act.

That every contract hereafter made to which the United States, any Territory, or the District of Columbia is a party, and every such contract made for or in behalf of the United States or any Territory or said District which may require or involve the employment of laborers or mechanics shall contain a provision.

In other words, you make the contractor put in his contract with the Government a certain provision by which he becomes a guarantor that the subcontractor shall not do these things. The subcontractor is not a party to the original contract and this law does not relate to this contract. It evidently contemplates, as the honorable committeeman from New Jersey suggests, that they will attempt to protect themselves by putting stipulations in the contract that they shall not do these things, and further that they shall not—well, that they will not do them.

Mr. HUGHES. That they shall not be paid until they shall have evidently done them?

Mr. DAVENPORT. Yes. The original contractor is held up, and that is the result. The subcontractor says, "As between me and my contractor, citizens of Pennsylvania or citizens of Connecticut, I say that I have lived up literally to the contract and I have performed all the stipulations—except certain stipulation which he himself waived." He says that and he comes into court. Now the decision of that fact rests with the jury. You can not shut the party out from the right to trial by jury, or if you could bring it into the United States circuit court for the District you can not shut him out, because the Constitution says that a man shall have a right to trial by jury when the amount involved is over \$20. You must remember that the Court of Claims is a device gotten up by the Government in recognition of the principle that sovereignty will not permit itself to be sued in its own courts, and the Court of Claims is not a constitutional court; it is an administrative device to carry out and procure justice, but when you come down to these fundamental rights of the contractor and subcontractor the matter has to be tried and settled in the constitutional courts of the country, and that is the whole point of it.

If there was no other reason for defeating this measure, when you come to work it out in its practical operations, all you are doing is to put upon the contractor not only all the interference with his business, and also all the risks on account of this holding up of money, but you at the same time leave him exposed to be sued and judgment taken against him for the very thing for which the money has been withheld.

The ACTING CHAIRMAN. How long does the committee wish to sit? It is now after 12 o'clock. Mr. Gompers has to go to Porto Rico this afternoon and would like fifteen minutes.

Mr. DAVENPORT. Then I will not take up any more time. I am not going to Porto Rico.

Mr. GOMPERS. If I live I will come back.

Mr. DAVENPORT. I trust you will, and live long. But I was going to say that I have talked now until it has come to the hour of recess—

Mr. GOEBEL. I want to discuss that question further with you.

Mr. GILBERT. What is the suggestion of the chairman?

The ACTING CHAIRMAN. I would like to inquire how long the committee desires to sit.

Mr. GOMPERS. I would not like to interrupt the train of thought of the gentleman.

Mr. HUGHES. I suggest that we continue until 1 o'clock.

The ACTING CHAIRMAN. How much longer do you desire?

Mr. DAVENPORT. Not very much longer; or, indeed, I am perfectly willing to stop now.

The ACTING CHAIRMAN. Are there any other gentlemen to be heard, or do you intend to occupy the balance of the time?

Mr. DAVENPORT. I do not wish but a few minutes myself.

Mr. GOMPERS. I have no desire to interrupt you.

Mr. DAVENPORT. That is all right; I am accustomed to be interrupted.

The ACTING CHAIRMAN. There is no necessity of us stopping now. I understood you were to have an hour and a half, Mr. Davenport, and you have only used up now an hour and a quarter.

Mr. HUGHES. To give you your train of thought again, and get at something I am interested in, do you not think these remedies pointed out by the act are merely in aid or perhaps to enable him to recover more directly and easily; but, as I take it, that does not prevent him from going into any court which has jurisdiction in this matter?

Mr. DAVENPORT. The contractor can not sue the United States Government.

Mr. HUGHES. But he is expressly permitted here to go into the Court of Claims.

Mr. DAVENPORT. He has to take it as it is given to him by the officers of the Government. The device, as I said, of the Court of Claims is a provision by which the Government in its magnanimity grants to the contractor the opportunity of pressing his case and getting justice from the Government.

Mr. GOEBEL. That is, on the violation of the contract.

Mr. DAVENPORT. Yes.

Mr. GOEBEL. But you maintain that—

Mr. DAVENPORT (interrupting). When you come to the subcontractor, the relation between the contractor and subcontractor, I say—returning to the line of thought that the honorable member from New Jersey suggests—the subcontractor and the contractor are not covered by this. You can not find it from beginning to end, manifestly for the reason that they know that it would be an entire invasion of the rights of the State for Congress to undertake to legislate as to contracts between individual members. You know that the material that the Bethlehem Steel Company is handling is its own. The Cramp Company is a citizen of Pennsylvania, for instance; it is an individual. They enter into their deals between themselves, and the fact that the thing they are going to make is ultimately destined to go into a battle ship or something that is to become the property of the Government does not alter the case at all, and the United States Government would have no more right to undertake to legislate in a matter of that kind than it would have to legislate between yourself and myself in regard to that matter.

Mr. HUGHES. May I suggest something?

Mr. DAVENPORT. Certainly.

Mr. HUGHES. Suppose the United States Government were to hold up some money from a contractor on the ground that his subcontractor had violated the eight-hour law, and suppose the contractor, in turn, held up the money from his subcontractor, there is nothing in this bill to prevent the subcontractor going into court and suing the contractor?

Mr. DAVENPORT. That is what I say.

Mr. HUGHES. And the contractor has set up the question, the fact to be raised right there, as to whether or not the report of the inspector is correct—

Mr. DAVENPORT. That would not be of any consequence.

Mr. HUGHES. I mean to raise that question of fact, whether or not there were men who worked more than eight hours a day.

Mr. DAVENPORT. Not only that, but you must remember the Government is going to withhold it and has withheld it; there is a savage penalty if they do not, even if the contractor has waived it; but when you come into court, between the contractor and subcontractor as to whether he shall pay him his contract price or not, then comes up the question, "Have you lived up to your contract?" He says, "You worked so and so; you had men working there, and the Government official has said you had." Well, he may deny it, and then they will have that issue tried. Or he may say, "Yes, but you assented to it; you waived it."

Mr. HUGHES. If he waived it he would have to stand for it.

Mr. DAVENPORT. Yes; and so that is the point exactly, Mr. Hughes—you put the contractor between the upper and nether millstones.

Mr. HUGHES. Why should he waive it? It is against the spirit of the law.

Mr. DAVENPORT. He says he did not.

Mr. HUGHES. That question of fact can be tried in the State court.

Mr. DAVENPORT. Certainly; by the jury, and whichever way the jury finds it will go.

Mr. HUGHES. There is nothing in this law to permit that.

Mr. DAVENPORT. There is not, no; and so you expose the contractor to the double risk—you put him between the upper and the nether millstones.

Mr. HUGHES. I do not quite catch your idea.

Mr. GOEBEL. I do not quite get it, either; I do not quite see the distinction.

Mr. DAVENPORT. Now, let me see.

Mr. HUGHES. Go on; yes.

Mr. DAVENPORT. A contractor for a battle ship makes a contract with the Government by which he stipulates that no work done upon it by him or any of his subcontractors shall be done by any employees who work more than eight hours in any one calendar day upon that work.

The CHAIRMAN. You say he stipulates; you mean that he enters into a contract under this law?

Mr. DAVENPORT. Yes; writes into the law that provision.

Mr. GOEBEL. That neither the contractor or subcontractor——

Mr. DAVENPORT. Will do this work; yes.

Mr. GOEBEL. Now, go on.

Mr. DAVENPORT. He becomes the guarantor that if any of his subcontractors should violate that law the Government will withhold from him your forfeit; he stipulates that. The act does not undertake to say——

Mr. GOEBEL. Does that differ from any other stipulation, that the contractor or subcontractor must do his work in a particular manner?

Mr. DAVENPORT. I say the contract contains that. Now, he turns around to make subcontracts. He can not build the ship himself, he has to get the armor of so and so and something else from somebody else, and now then he sees that he has to protect himself in some way from the acts of the subcontractor, because there is no penalty attached to him by direction of this act——

Mr. GOEBEL. I agree to that.

Mr. DAVENPORT. So he resorts to the only device possible; he puts it into his contract—

Mr. GOEBEL. With the subcontractor?

Mr. DAVENPORT. Yes, with the subcontractor; that none of this work shall be done by any person working more than eight hours a day; or perhaps he draws up a bond for that purpose, and then in the course of his operations the inspector up at the Bethlehem works goes up—

Mr. HUGHES. To the Treasury Department, we will say.

Mr. DAVENPORT. The Treasury Department, yes; and he sees the work and reports the names of a thousand men.

Mr. GILBERT. Now, the subcontractor violates his contract in that regard?

Mr. DAVENPORT. Yes; he reports it. Now, we will follow this out. If a thing can be done, an ingenious gentleman can always tell how it can be done. This bill violates every condition of good statute making; but I am on this one thing now—

Mr. GOEBEL. Yes; keep on this now.

Mr. DAVENPORT. The inspector reports the names of John Smith and John Jones, and a thousand men up there that worked on this work at Bethlehem an hour longer than eight hours a day, and there is \$5,000 for each day, maybe five days, \$25,000. And it is reported to the disbursing officer of the Treasury, whoever he is—the proper officer—whose business it is to approve it. He, when it is presented to him, orders it withheld—

Mr. GILBERT. From the contract?

Mr. DAVENPORT. From the Cramps. The Cramps appeal to the head of the Department; the head of the Department says that this was so—that as far as he can ascertain this was true—and he approves of what was done. From that the Cramps appeal to the Court of Claims, and in the Court of Claims it is decided that it should be withheld. Now, then, by this act that is the end of it. A crowbar could not get that money out of the United States Treasury. It is utterly impossible. The door is locked and barred and bolted fast.

Well, as I have said, then come the Bethlehem people up to Cramps and they say, "Here, we want that million dollars that you agreed to pay us for that armor or that other material." "Why," they say, "you worked so many days at such a cost to me; you can not have it."

Thereupon, I say, in behalf of the Bethlehem people I bring suit against that. Now, what is the issue between them—what is the issue between the Bethlehem people and the Cramps? It may be one of several things. The Bethlehem people say, "I did not work over eight hours; that blatherskite up here representing some labor organization or something put up this job on me; it is not true." Or he may say, "Yes; it is true, but you waived that stipulation." And the Cramps say, "No; we never waived it; we never assented to any such thing as that." Well, there is the issue between them. It is brought into court; it is tried. Whom is it tried by? By a jury; to be decided by the evidence presented there. The fact that the United States Government has withheld that money after going through these proceedings has no bearing at all upon the relation between the contractor and the subcontractor, and the judge charges the jury. Now, you have heard the testimony of Cramps on one side, and Schwab, or whoever it is, on the other, and it is for you to say whether it is true or not

that they did these things; or, if they did them, whether or not the Cramps waived that stipulation, and according as the jury finds it goes.

Now, suppose they render judgment in favor of the Bethlehem Company. The Cramps have to pay it. They have to pay the contract price. At the same time the Government has withheld it, and you can not get it out of the Treasury of the United States.

Mr. GILBERT. Suppose in the first instance notice has been given by the contractors to the subcontractors and that all of their rights have been adjudicated and determined by that Government official at the outset?

Mr. HUGHES. The trouble is you can not do it. You can not take away the right of the shipbuilding company to go into the courts.

Mr. GILBERT. You can by the terms of the contract.

Mr. HUGHES. Yes; I was going to suggest that.

Mr. GILBERT. By the terms of his contract he has stipulated that whatever determination is made between the contractor and the Government—

Mr. HUGHES (interrupting). Shall bind this other fellow—yes. In other words, could not Cramp, having notice of this law, stipulate in his contract that the action of the Government, the action of this officer, should be binding upon his subcontractor? Could he not make that stipulation in his contract?

Mr. DAVENPORT. Of course; any man could make any contract he has a mind to; but this I say, that it is impossible for me to contract with my friend here so that I shall not go into court, and when I go into court I can say that he has waived every one of them—every one of those stipulations. Upon reflection, gentlemen, you will recognize the principle that a man goes into court with one of these contracts, and the party said “You agreed with me that you would be bound by that decision.” “Yes; but you waived it. You told me to go ahead, and I went on and I incurred this great expense—this great damage. I would not have done it if you had not told me to do it.” And as between us, it comes right square down to the question, What will the jury say?

Mr. HUGHES. That is so in the case of every note or mortgage, is it not?

Mr. DAVENPORT. Certainly it is. You are plastering the poor contractor, you are whaling him in every way, and at the same time you leave him open to this other condition.

If this great moral question, if this great matter in the interest of civilization, this elevation of the workingman, by taking away from him the opportunity of work if he wants to, is going to be settled, for Heaven's sake do not settle it by any such abortion of a bill as this!

I have in mind what the honorable chairman said about the time. There is much about this bill and many of these reports that have been made in regard to it that I wanted to call attention to. It seems there is a gentleman on the other side of the Capitol by the name of McComas who reported this measure, and some of the remarks that he has made on it I wanted to call attention to as the very climax of absurdity.

Mr. SPALDING. Permit me to suggest something before you do that. Mr. Gardner suggested the other day—that is, he called your attention to the language on page 3—

Nothing in this act shall apply to such materials or articles as may usually be bought in open market, whether made to conform to particular specifications or not,

or for the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not.

The question was whether that leaves anything in the bill or not.

Mr. HUGHES. I would like to hear from you on that.

Mr. DAVENPORT. I was going to say, bearing in mind what the honorable chairman said the other day, something about this. He said he would like to have the opponents of this bill construe it. He did not turn to our friends upon the other side and say, "What is your construction of it," but "What do the opponents say?" And I have borne in mind always that my friend when he appears here always says that he is no lawyer—that he is a horny-handed son of toil and is not able to construe it. So the lawyers are called upon to explain what that means. Well, my friend Judge McCammon over there represents the Cramps. I do not know whom I do represent, except everybody. I have no doubt he has puzzled over this thing. I have puzzled over it also. I say that nobody in the world can say what that bill means except the Supreme Court of the United States—to what it applies—and they only because they have got the last guess; and to ask us to say what the Supreme Court will say about it is to ask us to guess what the Supreme Court will guess it means. My opinion is—and I will make this prediction, as I am filled with the spirit of prophesying about it—that the Supreme Court will say that it does not apply to a battle ship. I have no doubt that Mr. McCammon will say, "I would like to have you guarantee that."

Mr. HUGHES. You mean it does not apply to the battle ships; you mean that a battle ship can be made without reference to this bill?

Mr. GILBERT. It is an article that can be bought in the open market?

Mr. DAVENPORT. Not only that, but this: Do you gentlemen know the history of this thing; do you know the history of it as it has gotten through the committee? I was amazed, and I adopted this plan of taking the original bill and putting in everything in red ink that has been added.

Mr. HUGHES. I think we have had a bill here showing the additions.

Mr. DAVENPORT. And the erasures.

Mr. HUGHES. Yes.

Mr. DAVENPORT. The first thing that is expected is it shall not apply to contracts for transportation by land or water, or for the transmission of intelligence, or for such materials or articles as may usually be bought in open market, whether made to conform to particular specifications or not.

Mr. HUGHES. Do you think that is a battle ship?

Mr. DAVENPORT. You are getting pretty close to a battle ship, but the next is, "or for the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not."

Mr. HUGHES. It looks to me like they are both battle ships; I do not know.

Mr. DAVENPORT. Now, just see. What is a supply? It is everything that is furnished, is it not? A contract to furnish a battle ship is a contract—

Mr. HUGHES. It is a contract to supply the Government?

Mr. DAVENPORT. With a battle ship, yes; and if I mistake not, Judge McCammon, when I was up there with you when they awarded those bids, the proposition was, "We will furnish the Government

with a battle ship," of a certain size, certain dimensions, etc., for so much money.

Mr. McCAMMON. Just one word, Mr. Chairman. You and members of the committee will recall the fact that in the British Parliament appropriation bills are called "supply bills;" and therefore in legislative parlance you would say that supplies cover all manner of appropriations for articles to be used by the Government.

Mr. DAVENPORT. Yes; but there is another thing you can not forget, gentlemen. I suppose even our Socialistic friends would admit that is in derogation of the right of the individual—that it is an act in derogation of it. Therefore, such a construction is put upon laws by the courts that they infringe as little as possible with such a principle. Therefore our distinguished judge in the Supreme Court, when he looks through this, will say: "What were they driving at here? They are excepting every possible form of article. It must be that they had in mind only two things." And that is what I think. As I said, it will come to that. I think it will be held to apply only to the things that the act of 1892 apply to.

Mr. SPALDING. Only our Socialistic friends do not admit that there are any rights except statutory rights, do they?

Mr. DAVENPORT. No. Were it not that I want to hear, before I return to the land of steady habits, what my friend has to say, I would like to talk a little about that. I know that a man can get his head addled on this as easy as can be. But, right here, What will the Supreme Court of the United States say this bill relates to?

There is on the statute books this bill:

That the service and employment of all laborers and mechanics who are now, or who may hereafter be, employed by the Government of the United States, by the District of Columbia, or by any contractor or subcontractor, upon any of the public works of the United States or of the said District, is hereby limited and restricted to eight hours in any one calendar day, and it shall be unlawful for any officer of the United States Government or the District of Columbia, or any such contractor or subcontractor, whose duty it shall be to employ or direct or control the services of such laborers or mechanics; to require or permit any such laborer or mechanic to work more than eight hours in any calendar day, except in cases of extraordinary emergency.

Now, when you take that law and you take this law together and you see what is excepted from it, this is what the court will say. They intended to add to this criminal penalty the further liability upon the part of the contractor and the subcontractor on these works, that class of work, a pecuniary penalty. Not satisfied with making the man responsible for his own acts if he intentionally violated it criminally, whether he be the contractor or subcontractor, their intent was to add to that a liability. That liability is the liability to pay, whether they have done it intentionally or not; and whether the subcontractor has done it intentionally or not, they want to impose that liability upon that original contractor relating to that kind of work.

Now, then, the question is, What does that relate to? Well, I say that I guess that it does not relate to building a battle ship, but if the *Maine* or any other ship was brought to Cramp's shipyard, and Cramp undertook the job to repair her, that would be work—because that is now the property of the Government—done upon a public work; it would apply to the building of light-houses and to the building of Federal buildings. It would apply to contracts for dredging and all those



things, as I guess it would be interpreted. It relates only to what is now covered by the act of 1892, and adds to that that powerful further responsibility. Of course, there are a great many suggestions that could be made along that line. Now, there are objections to that construction, but there are fewer objections to that construction than there are to any other.

But I ask you, as men of common sense and as lawyers, Will you go before the Congress, will you go before the people of the United States, upon a bill which contradicts and contravenes every element of good be hounded for what they have done for this country, in the name of statute making? If you are going for the Cramps—if they deserve to labor and for the sake of labor—if they must be hounded, put them in; say that we want this to relate to battle ships and one thing and another, and do not leave it where no man can understand it.

But there is more about this—but I remember, too, that I am cautioned about the time, and I remember that the hour is approaching when Mr. Gompers must sail.

The ACTING CHAIRMAN. You have three minutes more.

Mr. DAVENPORT. Did you ever read this report by Mr. McComas? I suppose Mr. Gompers is responsible for the bill in its original form. He put in there this provision:

Whether the violation of the provisions of such contract is by the contractor, his agents or employees, or any subcontractor, his agents or employees.

Well, that provision shocked the gentleman over there, and he struck out the provision making them responsible for the agents and the employees, and I want to call your attention to what he says on that subject. He has some observations to make.

(Mr. Davenport read from the report of Senator McComas, Fifty-seventh Congress, second session, on the eight-hour law bill, to accompany resolution 307, as follows:)

It is a serious objection to the House bill that severe penalties are imposed for the acts and omissions of "employees and agents." Such acts and omissions may be unknown to the principals, unauthorized, or forbidden by them.

We take a case here. Mr. Cramp is securing himself against this thing by contract and by bonds [reading]:

If the contractor or subcontractor directs such acts or omissions or ratifies them, then such are the acts of the contractor or subcontractor. If agents or employees habitually so act or omit, their knowledge will be imputed and the ratification of such acts or omissions be proven by such circumstances.

These are, then, the willful acts of the contractor or subcontractor, and not of their agents or employees. It is the contractor or subcontractor who is to be made liable and for knowingly violating this law if it be enacted.

Your committee have amended the bill to make these proper parties liable. As the bill reads, these parties would have been liable to pay a penalty for acts of agents or employees, even if the party mulcted had forbidden such act. This, of course, would have been invalid and unjust. As amended, the guilty contractors can not escape; the innocent can not suffer.

Mr. DAVENPORT (continuing). Think of it! You take out the provision because of its injustice and because of its invalidity that makes him liable for the acts of his agents, whom he can discharge in a moment, and at the same time you retain in the bill the responsibility for the acts of the contractor over whom he has no control and against whose acts he has endeavored in every way to protect himself.

And yet such stuff is put in a report from the Senate committee.

There is lots more that could be said, but I thank you for crimes to me this long.

Mr. CALDWELL. Allow me to ask you one question. Would they desire this committee to send a committee or a subcommittee to the Baldwin Locomotive Works or to Cramps to investigate this sentiment among the employees?

Mr. DAVENPORT. No; I do not think it would be a sensible thing to do, because it would take you forever. But I think if you do not believe what I say in regard to it, I think you are running the risk of making a mistake on a highly important fact. I do not know anybody that is more concerned in it than you gentlemen are.

Mr. HEARST. Mr. Davenport, not as a lawyer, but as an employer, and referring back to your remarks about the necessity of liberty of action on the part of the employer, how do you think the eight-hour workday interferes with that? All my people are employed under the eight-hour system—

Mr. DAVENPORT. Voluntarily.

Mr. HEARST. And it does not interfere.

Mr. DAVENPORT. You might employ a man eight hours or six hours or any other number, but my general statement is this: I do not care what form you take, whether you attempt to do it by act of law or whether you attempt to do it by agreement, anything that weakens the control of the employer over the work, which divides that relation, that fundamental relation, is bound, in the end, whether it is collective bargaining or whatever it is—somebody has to be bossed and somebody has to give the orders. Now, then, if it is important to you as an employer that you have, to properly conduct your business, to run it more than eight hours a day, for the law to step in and interfere is to strike a blow at that fundamental principle.

Mr. HEARST. I run my business twenty-four hours a day, but as to the individual workman I only employ him eight hours.

Mr. DAVENPORT. I consider you very fortunate if you are able to arrange your business in that way. The universal testimony, so far as I was able to gather it from employers, was the other way.

Mr. HUGHES. Do you find that it interferes with your control of your men?

Mr. HEARST. Not at all, nor does it interfere with any of the things suggested here; it does not interfere with my unrestrained action. I can conduct a newspaper and publish it—

Mr. DAVENPORT. But it is idle to dispute that if your business, the control over it, is interfered with either by associations or by law you are not free.

Mr. HUGHES. This is not an association; this is a law.

Mr. DAVENPORT. That is ten thousand times worse, because associations will go to pieces; but when you put the great engine of the United States Government in this thing—

Mr. HUGHES. Just there, does not the great engine of the State of New York, or the great engine of the State of Connecticut step into every manufacturing establishment and say these things you shall not do?

Mr. DAVENPORT. They certainly do, and properly, often.

Mr. HUGHES. It is just the test whether this thing is proper or not.

Mr. DAVENPORT. And of course I do not deny the right of the State in the exercise of its police power to do a great many things, and I

ngs they have done have been advisable, and a  
 hey have done are inadvisable; but this talk will

attention of the committee before I conclude to  
 ints which I collected in talking with employers.  
 EMAN. Let the stenographer have it, or you can  
 ire hearing.

**MR. SAMUEL GOMPERS, PRESIDENT OF THE  
 AMERICAN FEDERATION OF LABOR.**

Mr. Chairman and gentlemen, at the outset I desire to thank you  
 for the courtesy in giving me a few minutes to submit a few remarks  
 in response to the statements and argument made by Mr. Davenport.

It was not my good fortune to be able to be here when he opened  
 his remarks, but I am advised that he read off a list of names of per-  
 sons and organizations who are Socialists, and who are standing behind  
 this bill, and that he, both by direct statement and by insinuation,  
 endeavored to convey to the committee the notion that the whole  
 proposition is of a socialistic character and that the Socialists, whoever  
 they are, are behind this bill trying to push it to a passage.

It may not be uninteresting to say, first, that for more than fifteen  
 years the subject-matter of committing the American labor movement  
 to socialism has been rejected and that at no time so overwhelmingly  
 rejected as at the last meeting of the American Federation of Labor,  
 held in Boston in November of last year. I might say, further, in  
 refutation of the insinuation he made, that if the Socialists had their  
 way they would not be pressing this bill; that the bill would not even  
 be pressed to your attention.

Whether intentionally or otherwise, as a matter of fact it is such as  
 Mr. Davenport who creates socialism.

Mr. DAVENPORT. I merely read the declaration of the principles of  
 the several unions, taken from the Industrial Commission's report.  
 But is it not true, Mr. Gompers, that the action of the American Fed-  
 eration of Labor last November was simply that they would not take  
 this thing into politics and have a socialistic labor party, and that the  
 doctrines that underlie the several organizations are not condemned by  
 the American Federation of Labor in convention assembled?

Mr. GOMPERS. The convention of the American Federation of Labor  
 did not condemn the constitution of any organization, any more than  
 it would condemn the absurdity of any individual. We do not think  
 that we are called upon to do that.

The several propositions aiming to commit the American Federation  
 of Labor, politically or otherwise, were reported upon unfavorably and  
 the unfavorable report was overwhelmingly adopted, despite the mis-  
 representations of the manufacturers' associations and their representa-  
 tives and the private employers' association and their attorneys.

During the hearing last week, or the discussion as to setting the  
 time for hearings, one of the honorable members of the committee  
 took occasion to say that he had read the reports of the last few Con-  
 gresses, and they were considerably made up of criminations and recrim-  
 inations. I entirely agree with that criticism, but I submit that if we,  
 as the representatives of organized labor, the advocates of this bill,  
 are compelled to sit here and listen to our associates and our friends

and ourselves being referred to as blatherskites and advocates of crimes and disorders and violators of law we have a right to resent it and to show how utterly audacious are the remarks, and how unfounded they are and how unrepresentative of the truth are the men who make them.

MR. SPALDING. My remarks did not apply to you any more than they did to the others.

MR. GOMPERS. I understand that, sir; but not at one hearing before this committee or any other committee have these criminations begun on our part; we simply have had to meet them. But I presume that the ears of public men have become so attuned to abuse of labor men that they allow these abusive epithets and insinuations to go by unanswered. We propose to resent them whenever we hear them directly or indirectly, and no matter from whom they come.

MR. HUGHES. I do not think that any member of the committee would have permitted that epithet to be applied to any of you gentlemen. Speaking for myself, I do not think it was intended for you; I think it was merely an illustrative remark.

MR. GOMPERS. Mr. Hughes, I want no immunity conceded to me that I will not insist upon for other honorable men connected with our movement. The last speaker a few moments ago referred to the blatherskite, using the word as describing the typical man of the labor movement—the blatherskite of the labor union. He did not use the word as applying to any one particular person, but to a type, and indicated the idea that the men who speak in favor of labor are of that type.

MR. HUGHES. I did not so understand him.

MR. GOMPERS. Yes, gentlemen, that is the fact. We hear these things so often, as I have said, that we pass them by; we do not pay particular attention to them. However, in the few minutes I have, if I have your permission, I should like to address myself to a few points made by the gentleman who has just spoken, Mr. Davenport.

He confuses the mixture of the organization of labor with crime; I do not believe that it is possible for him to disassociate the organized effort of wage earners for their material improvement from violence and crime and lawlessness, when as a matter of fact it is known to every student of sociology, every student of the labor movement, that wherever the organizations of labor are strongest that there the greatest industrial peace obtains.

Mr. Davenport insists that there can not be any fundamental change between the relations of employer and workmen, and that any attempt on that line will lose to the employer the control of the business in which he is engaged; that he can not successfully operate it. He cites the military arm of the Government in support of that statement, where there must be the general and the other officers under him, the various officers in command. Now let me say, in connection with this, that the whole philosophy upon which the first statement is founded is fallacious. So far as the second is in illustration of it, it only bears out the reverse of Mr. Davenport's contention.

MR. DAVENPORT. Let me say—

MR. GOMPERS. I did not interrupt you, in spite of your abuse; now I do not want to be interrupted in the course of a statement.

All military authorities agree that, without any particular self-praise of our powers and prowess, there is no soldier equal on the face of the globe to the American soldier, and the reason of it is universally

attributed to the fact that the American soldier is a man and possesses individuality. If our friend Davenport's contention is right, if it is right now it would have been right twenty and thirty and fifty years ago, and we would not now have upon the statute books of the Federal Government, or upon any of our State statutes, or upon the statute books of Great Britain, the factory acts that have saved the children, that have saved the women, who before some of them were enacted were working in the mines, stripped to their waists, and doing the work that the mules now do there.

The history of the labor legislation of the factory acts of Great Britain and our several States has produced a number of Mr. Davenports by other names, always interposing objections against any species of legislation of this character tending to lighten the burdens of those who toil. You must bear in mind that Mr. Davenport only incidentally opposes this bill, he is opposed to this entire series or species of legislation, any legislation that can have for its purpose the improvement or the protection of the weaker in the great grinding process of industry—any legislation of that sort, I say, meets with the opposition of the secretary of the private antiboycotting society.

He asks, is it conceivable at all that labor would ask for the enactment of what he is pleased to term this tyrannical bill? He paints a picture of men who may want to work more, longer hours. Last week he called the attention of the committee to the fact that the bill would prohibit a man who was sick one day from working longer hours the next day. If that is the purpose of the bill then I think it is a good thing. I do not believe it is a good thing for a man who is sick one day to be compelled to work extra hours the next day, and if my friend Davenport was very ill one day I do not believe that for his own sake he ought to work more than eight hours the following day.

But is this tyrannical to labor? How absurd! If I understand anything of the purport of language, tyranny means burden, oppression, the imposition of something which is offensive. A law that has for its purpose the provision that a man shall not be permitted to work more than eight hours a day relieves him from burdens and work—relieves him from long hours of work. How, by any conjuring, can that be construed to mean tyranny or burden?

Mr. Davenport can not conceive why these men should want an eight-hour day, should want to limit their hours of labor. Why? asks he. Let me answer by saying because it means more leisure, more rest, more opportunity, as he sarcastically refers to our flowery language, for going to the parks, of having better homes, of reading books, of creating more desires. Certainly he will not deny this fact, that even if we have drawn upon our imagination in thinking that the men will go to the parks and improve their time if they had shorter hours, he can not claim that if they are compelled to work longer hours that that will allow them to go to the parks and improve their opportunities. At least if their hours of labor are limited to eight hours a day it will give them the opportunity.

A man is the creature of circumstance and opportunity, and if you take away from him the opportunity he can not go to the parks. And we know—not after the experience of a year or two, which our friend Davenport seems to regard as a very long time to get information on this subject, but as the result of the experience of our whole lifetime,

that is all—that the more leisure the workingmen have the more opportunities they have, and the more they cultivate their minds and improve their education and the better citizens they become. The head manufacturers, to whom he referred, having called in my sociological student for consultation in regard to the outrages which were committed against them, our friend, Mr. Davenport, at once became interested in this subject, and he went forth, and in a year or two he visited thousands upon thousands of factories—all in a year, too. And after this wonderfully large experience he gives us the benefit of the facts he has gathered and his conclusions, and, as I have said, all we have to set against that is our whole lifetime, that is all.

So far as I am personally concerned—and I say it not with vanity, but with considerable pride—I gave twenty-six years of my life working in a factory as an operative, as a wage-earner; not as an employer, not as a superintendent, not as a foreman, but as a wage-earner. Perhaps some might say that that was exactly the position that I should have occupied. I agree with them entirely. They may say that I had not the ability to aspire to anything or obtain anything better. That may be true. It may not be true. I can only say this: That when I was in the factory, and since then, in the past seventeen years, when I have given my entire time to the American labor movement, and helped in the direction of the American organized workers of our country, I have had no aspiration other than the one I now have; that is, to try and help my fellow-workers. I had no ambition to graduate from that class into any other. I did not aspire, when working in the factory, to graduate from that class, and I have no such aspiration now.

Let me answer further as to why wage-earners desire shorter hours of labor: that it is because it is a universal law of industry that a reduction in the hours of labor always brings an increase in wages or an increase in the purchasing power of wages; that the men who work eight hours a day always receive higher pay than the men who work ten or twelve or fourteen hours a day; that among the men who work at wage labor, the longest hours a day are those that receive the lowest wages. This is true not only in one industry or two industries, it is a universal law from which there is absolutely no escape. When our friend has a little more experience he may know these things.

He says that he has been a constant friend of labor, and that he never was more a friend of labor than when he appears before this committee and opposes the passage of this bill. All I can answer is that I think his last statement is true. Bearing out his statement, in my judgment, he never was more a friend of labor than he was this morning.

May I say something in connection with this poor hat manufacturer against whom organized labor was doing this very unchristian act of boycotting?

I have been told that he has been boycotted. If I did not boycott him I would, if I had a chance. In the hatting trade 95 to 97 per cent of the manufacturers are in agreement with the hatters of the country. That is, they are in agreement as to wages and to hours and other conditions of employment. The case of the gentleman to whom I believe Mr. Davenport refers was a case in which it was not a question of simply unionizing the establishment. It was a question of this manufacturer conforming to the scale of wages obtaining in the trade, and so that he would not have an unfair advantage with his competitors so

far as wages were concerned. This much abused hat manufacturer was a constant danger to the standard of life, not only of the hatters, but a constant danger to the stability of the trade and a fair opportunity for every manufacturer to be on an equality—an approximate equality, at least, so far as wages were concerned. If there was any advantage in ingenuity, in purchasing, in sale, in manufacture, these were to be the manufacturer's opportunities; but so far as wages were concerned we believe that there always ought to be a minimum living wage below which no employer should require his workmen to toil, and our friend in Danbury, despite the fact that there are, I believe, some 85 manufacturers there—

Mr. DAVENPORT. I think there are 190 manufacturers in this country, and all but 12 of them have been bulldozed into what you call agreements with their men. I think there are only 3 that are standing up for the rights of the individuals in Danbury, of whom Mr. Loew is one.

Mr. GOMPERS. I say there are few who have not been "bulldozed" into agreements with the organized hatters, as my friend says. When there is unorganization, when there is no organization among the people in any given trade, you will find that the bulldozing, so-called, has gone on in the other side, and the result of it has been that there is confusion in the trade, the greatest dissatisfaction among the employers themselves, and the greatest misery and poverty among the large number of wage-earners employed in the industry, and that which our friend suggests is bulldozing is the constant effort on the part of the men who labor, and some who sympathize with labor a little more and in a little different way than my friend Mr. Davenport does, to help bring about a recognition that there must be a standard of life, a standard of living among the wage-earners in that trade, and below which no employer can drive his workmen, and the man who attempts it is going to meet the encounter that Mr. Loew had to meet—the encounter I am told he has had to meet. But it is the first time I have ever heard an attorney for one of the employers admit that it is hurtful. They usually say that it is a good advertisement.

Mr. DAVENPORT. I quite agree with you that in that case it was very effective and very ruinous.

Mr. GOMPERS. I assure you that I have no tears to shed.

Mr. DAVENPORT. I suppose not, because it is merely carrying out what you preach in your journal.

Mr. GOMPERS. Yes; and what we propose to do. Mr. Davenport, of course, appears here as the representative of an antiboycott association—a private institution, he said—and he went out as an organizer. He says that for good reasons he can not give the names of his clients. I can only say that we do give our credentials; we tell you who we are, and what we are, and whom we represent; by whom we are directed to come here, and to say that there are now 2,000,000—perhaps a little more, but not less than that number—of organized men and women in the American Federation of Labor; there are perhaps a quarter of a million of organized workmen who are not embraced within the American Federation of Labor, such as the Brotherhoods of Railroad Employees, also the Bricklayers and Masons' International Union, who have the eight-hour day or even less hours in some instances, all of whom are in accord with the American Federation of Labor; that all of these are in favor of the eight-hour

day I will venture to say. The employees of Baldwin & Co. are to a considerable extent unorganized. I will venture to say that at a meeting at which my eloquent friend, Mr. Davenport, would address them in opposition to the eight-hour day and some representative of labor would address them in favor of the eight-hour day, that a secret ballot after the addresses were made would show a vote practically unanimous in favor of the eight-hour day. Of course, if asked questions by an employer who frowned down organization, or if asked the question by an attorney for a secret employers' society, the chances are that they may want to hold their jobs.

Our friend suggests to you the unwisdom of any of you gentlemen at any time attempting to run for Congress in your districts upon a platform declaring for the eight-hour day. Well, I know of Congressmen who have committed that very offense, and they have come here. I know one thing, that a gentleman, I think, by the name of Hyde, appeared before this committee two years ago in opposition to the eight-hour bill, and he was a candidate for mayor, and when he came back the following week he reported to us that he was defeated for mayor because he opposed the bill. I am not making this assertion on my own authority; the gentleman made the statement here, and I think you will find it in the record.

Mr. Davenport called attention to the legal objections and legal weaknesses, or the indefensible position, in which the contractor would be placed so far as the Government on the one side and the subcontractor on the other side are concerned. While the point is really a very good one, he must know that that very point that he raised is, as Mr. Goebel pointedly put it, applicable to all the materials and all the supplies of the Government; that if the contractor enters into a contract with the Federal Government for any specific object, or material, or article, and that contractor subcontracted it to another, the same legal question can be raised exactly. The contractors for that reason have not ceased to contract with the Federal Government. They have simply insured themselves undoubtedly in their contracts with subcontractors, stipulating, as has been suggested here, that the findings of the officers as provided by the bill, then in the law, shall govern as between the contractor and the subcontractor. Our friend has built up a great big straw man so he might knock him down.

I can not argue this bill, and I have no right to impose any further upon this committee, except to ask indulgence for a moment or two. I desire to say I have had considerable correspondence with the officers of the Federal Government, with the heads of Departments, in regard to the enforcement of the present eight-hour law. I find that it has not been enforced, and that there is a different rule and a different practice obtaining in various Departments under the same law. I had some correspondence with the Secretary of War who has just retired, and, in regard to the violations of the eight-hour law in West Virginia, in the building of one of the dams there, or several of the dams there, he quotes me an opinion of the Judge-Advocate-General in which he says that the Department is not required to enforce the law; that if there is anyone having complaint to make it is his privilege to go to a district attorney for the Federal Government and to make complaint.

THE ACTING CHAIRMAN. This work is being done by contractors?

MR. GOMPERS. Yes, sir; notwithstanding the fact that the present law makes it an offense, a misdemeanor, for any of the officers or rep-



representatives of the Federal Government to permit the violation of the eight-hour law.

Mr. HUGHES. It has been generally ignored since it was passed in 1868, has it not?

Mr. GOMPERS. When the eight-hour resolution was first adopted by Congress it was simply preparatory, and then the heads of Departments reduced the wages of the employees whose hours of labor had been reduced. President Grant issued a proclamation directing that there should be no reduction in wages by reason of the reduction in the hours of labor to eight. With the panic of 1873 there was again a laxity on the part of the officers of the Government in the enforcement of the law.

I wish I had time, gentlemen, and that you had the time and the patience, so that I could give you the history of this bill. I might say that Mr. Davenport does me an honor; that I have no right to claim what he says—that I am the father of this bill—for I am not. The father of the original bill was the honored chairman of this committee. He is absent this morning. Mr. Gardner, of New Jersey, is the one who drew the bill. He had a hearing before the Committee on Labor upon an amendment that we had prepared, and I think before the Fifty-fourth Congress we urged it. It was reported, and during an argument made by Mr. Gardner, or, rather, what appeared to him desultory remarks, he conveyed the thought to the committee and to Mr. Furuseth and myself that he was with us, and that was just about the close of the Congress—very shortly before the close of that Congress. At the subsequent Congress Mr. Gardner was made chairman of the Committee on Labor, and we gave whatever assistance we could to him, by consultation and otherwise, which improved certain provisions of the bill; but the central idea is his, and I want to pay tribute to what I regard, and what has been regarded by men better qualified than myself to judge, one of the most important ideas—the central idea of the bill—that we have in any legislation in our country.

I may say, Mr. Chairman and gentlemen, that Mr. O'Connell, the vice-president of the American Federation of Labor, is here and expects to be here during the course of these hearings. He is president of the International Association of Machinists, and our legislative committee, Mr. Grimes and Mr. Nelson, will be here; Mr. Furuseth, Mr. Wood, and others. They will from time to time crave your indulgence to be heard in behalf of the bill in my absence. As far as I am concerned, I want to thank you for your courtesy.

Mr. CALDWELL. Before you take your seat, Mr. Gompers, I want to ask you the same question that I asked Mr. Davenport, whether you would be pleased to have this committee appoint a subcommittee to get the views of laboring men who are working by the day's work as to whether or not they are opposed to this bill.

Mr. GOMPERS. I would say that I should favor that ordinarily. I believe that such an investigation would not be amiss; but not pending this bill. This bill has been before the Congress for six years. The bill is in a modified form to-day; it does not go as far as I should like it to go by any means, but it is late now to make an investigation of that character, which would certainly carry over the thing for too long a period. Such an investigation can not be made unless it be comprehensive, to be typical, and to be satisfying. I will venture to

say that our friends can not bring 25 men of any class working at wrens' labor, men of ordinary intelligence and who have worked as wagon, workers for ten or fifteen years, who will testify that they are not in favor of a reduction of hours for their daily toil to eight hours per day.

Mr. DAVENPORT. By force of law?

Mr. GOMPERS. First, if they can, by agreement with their employers; and where the Government of the United States enters into it as an employer or as a contractor, by the force of law.

Mr. CALDWELL. In favor of this bill, in other words?

Mr. GOMPERS. Yes.

Mr. CALDWELL. By my question I wanted to know whether you were apprehensive of the result of such a movement, simply as to whether you apprehended as to what the reply of the laboring men would be?

Mr. GOMPERS. No, sir; I say this, gentlemen: of course among the workingmen of the District of Columbia it would scarcely be a fair test, because there are so many Government employees here and so many who necessarily work but eight hours a day.

Mr. FURUSETH. May I make a suggestion?

Mr. GOMPERS. Yes.

Mr. FURUSETH. Two years ago a test of that description was made in the Midvale Steel Company.

Mr. GOMPERS. The Bethlehem Steel Company.

Mr. FURUSETH. Yes; the Bethlehem Steel Company.

Mr. GOMPERS. I might say that two years ago I was invited to deliver a lecture before the Lehigh University, which was a noonday lecture. The local labor men in Bethlehem arranged for a mass meeting to consider the question of the immigration laws, and knowing that I was to be there during the day sent a committee to ask me whether I would deliver an address to the meeting. I consented and delivered an address, and in the body of the hall a gentleman arose after the address and made remarks something like this: "It has been asserted for us, the Bethlehem iron and steel workers, that we are not in favor of the eight-hour day. First let me say that there are quite a number of us who do work eight hours a day, and next, those who do not work eight hours want eight hours. There are quite a number of men here who are employees of the Bethlehem works, and I offer this resolution as expressive of their and my sentiments."

He offered a preamble and resolution favoring the bill under consideration, and they were unanimously passed. You will find that in the record—

Mr. McCAMMON. With an answer to the allegations set up by Mr. Gompers?

Mr. GOMPERS. Does Judge McCammon intend to state or insinuate that my remarks just now are not true?

Mr. McCAMMON. I have no such idea, nor did I convey such an idea. I said the answer will be found there in the record. Always with a chip on your shoulder; always want to precipitate a fight of some kind.

Mr. GOMPERS. No; I understand the Judge better than he thinks I do. I understand that there is a member of Congress who, no matter what other member of Congress may arise to make a speech, no matter how impressive the occasion, will always get up for no other

purpose than to ask a question, in order to be in every speech that is printed. There are some men who will not miss the opportunity to say something to convey the opposite of what is conveyed when an argument is made, and when there is a question up and an assertion made, who will always attempt to show that the assertion is not true. If I had not asked the question of the Judge the record would simply have shown that my statement has been denied.

Mr. McCAMMON. I did not say denied; I said answered.

Mr. GOMPERS. The gentleman has again interrupted me for the same purpose to say that it was answered. I know what the statement is that the gentleman has in mind. It is a statement made before this committee that a certain officer of the company had a stenographer present to take the names of those who were present. That was denied; that was answered. We could not disprove the answer and courteously accepted it as an answer to the statement that I made here to this committee. So far as the mass meeting of a large number of the Bethlehem Company's employees is concerned, that was not answered. Judge McCammon knows that it was not answered.

The CHAIRMAN. Have you anything further to say?

Mr. GOMPERS. No, sir; I had already concluded when our friend, Mr. Caldwell, asked me the question, and necessarily I answered it.

Thereupon, at 1.20 o'clock, the committee adjourned until Thursday, February 18, 1904, at 10.30 o'clock a. m.

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THURSDAY, *February 18, 1904.*

The committee met at 11 o'clock, Hon. James P. Connor, acting chairman, presiding.

The ACTING CHAIRMAN. In the absence of the chairman of the committee I think perhaps that we can proceed to hear the statements of the representatives of the manufacturers who are with us this morning. Mr. DuBrul, we will hear you first.

#### STATEMENT OF MR. E. F. DUBRUL.

Gentlemen, I am unfortunate in not having been able to get the witnesses that I expected here to-day, and if I may be permitted to reverse the usual order of things I will make my argument first and will produce my witnesses afterwards.

A couple of the gentlemen I expected to be here are from Cleveland and they thought they had to attend the funeral of Senator Hanna there, and there were some from Cincinnati and some from Newark whom I anticipated would be here, and they seem to have the idea that Senator Hanna's funeral has interfered with the hearings before this committee and have not come on.

I am representing here the National Metal Trades Association which is an organization of manufacturers engaged in the metal trades to the number of about 325. They employ approximately, I should say, from 50,000 to 60,000 employees.

And, in addition to that, I am representing, having been delegated by a committee in Cincinnati which is called the joint legislative committee of the manufacturing and commercial organizations of that city,

the Chamber of Commerce, Brewers' Exchange, Contracting Plasterers' Association, Manufacturers' Club, Master Stonecutters' Association, The Employers' Association, Cincinnati Metal Trades Association, Cincinnati Furniture Exchange, Cincinnati Master Plumbers' Association, Business Men's Club, Master Painters' Association, Contractors' Association, Electrical Contractors' Association, Contracting Bricklayers' Association, Butchers' Club, Cincinnati Typothetæ, Cincinnati Clothiers' Association, Cincinnati Boot and Shoe Manufacturers' Association, the Master Cornice Makers' Association, and the Master Carpenters' Exchange. And besides these local organizations in Cincinnati, through our National Metal Trades Association, we represent, I should say, from 500 to 800 more manufacturers in the metal trades who are affiliated with the local organizations, and these locals generally leave matters of this sort to the national organization.

The gentlemen that I represent are not here principally as opponents of the short-hour system in industry, whatever may be their views on that. While they are opposed to this bill, that is not their particular ground of opposition. You will notice from the names of the organizations I read off that we have a great many people represented in these organizations that are not manufacturers. They are merchants in Cincinnati and there are a great many professional men and citizens of all classes of the community, except, perhaps, workmen, and all of these organizations have been considering this bill and similar legislation for the past few months, and have been considering it very seriously. It is their judgment as expressed through their joint legislative committee that their organizations should oppose the passage of this bill principally on the ground of the danger of such legislation—that is, as applying to classes other than employers—practically applying to employers who are not Government employers.

We are opposed more to the legislation on short hours than we are to the short hours themselves. I suppose that everyone as a general proposition would like to have shorter hours of his own toil, the same as we would like to have a million dollars as a general proposition. We do not question that, which has been brought forward by the advocates of the bill. We do not question it, in other words, as a general proposition. But during our experience we have found particular propositions where that is not applied and we do question the advisability of attempting by Government interference or legislation to force a social movement that has come along to the point that it is, and especially in the establishments of a great many of those contractors in the building trades, where they are running short hours—they are just as much opposed to the short-hour legislation as the others are.

They feel that this may simply be a step—another step—in the way of a flood of legislation of this sort, the end of which no man can foresee. The general feeling is that this bill interferes with the Government contractor. Now, what limits that goes to I am not competent to speak upon; I am not a lawyer and am not competent to speak on the legal phases of this matter at all, but simply on the phases that occur to the business men with whom I have talked and who have talked about this sort of organization in their organizations and meetings; they feel that this goes to the point of interfering beyond what is reasonable with the right of the man to run his own business.

We know that there is a great deal of strife and a great deal of contention going on to-day, and there has been for the last few years

more than ever, in the industrial world, and perhaps nine out of ten of these troubles have been very largely about the question of the management of the business in one phase or another, or as it may have appeared to one side or the other, and it is felt by these gentlemen that this trouble—this strife—will continue, and will increase more than ever as soon as there is any hope held out—as such legislation as this we think would hold it—the hope that the working men as a class are to be wards of the Government, and are to look to the Government to do things for them which they have been doing for themselves, and which society as a whole has upheld them in doing, in the way of shortening hours.

I believe that society on the whole is thoroughly in sympathy with the effort of labor, organized or unorganized, to better its condition, with due regard to the law and the rights of others.

The economic struggle that goes on is a matter of economics. It is a matter of sociology, and that is not practically or principally a matter of class—or, at least, it should not be made so—nor of legislation.

We have heard a great deal in past years of the organization of labor, and within the last two or three years we have been hearing of other kinds of organization. We have been hearing of the organization of employers, such as we have in Cincinnati, the Employers' Association embracing approximately 3,500 members, I think it is now, and it is only a few months old.

We have independent organizations on the part of the employees; we have organizations on the part of the public, taking shape mostly to-day in smaller communities, but no doubt if the necessity demands it they will spread to larger cities; and they are comprised of all sorts of citizens, of all classes of citizens, and are generally called citizens' alliances. They are comprised of merchants and doctors and lawyers and real-estate men, and almost every class in the community. Those citizens' alliances include the ununionized or the deunionized workmen who have been bound into an organization because they felt that they needed it for some purpose or other, and the organizations are beginning to be felt. There is a great change coming over public sentiment, and in every one of these organizations, many of whom I am in personal contact with, it is felt, and sometimes it is felt among ourselves, that this sort of legislation is dangerous, if nothing else.

We feel that there should not be any quarrel with reasonable restrictions on child labor, with reasonable restrictions on female labor, with reasonable sanitary restrictions as to the conditions of factories. I do not think that sensible men object to reasonable regulations of that sort. But it is a question as to how much and how far any country—not only our own, but any country—shall go in the way of limiting the activities of the daily male individual.

Society through all its struggles for centuries has been working to remove the restrictions that were on the individual, and this bill, it seems to us, is beginning to put the pressure again on the adult male where it has been removed.

I have read very carefully all the hearings that have been held before this committee in the last two sessions at least, and before the Senate committee, and I fail to find on the part of the advocates of the bill anything in argument beyond the general argument of a shorter working day being a good thing for the workingman. And this we think

is a social question and is not a question for legislation. In fact that argument is absolutely beside the question before this committee.

Some industries are running short hours, we know. That is their privilege and they should be allowed to do it, and they should not be interfered with. If other industries are coming to short hours we feel that they should come to it gradually and naturally by the social development that is going on.

Now, coming to the practical phase of this bill—the point of view that the ordinary manufacturer would take—it is shown in the hearings held heretofore, it is shown by previous testimony on the part of men who have been taking Government contracts—and I have no doubt that the same sort of testimony will be brought, even wider and more of it, during the present hearings simply because more people are beginning to think and beginning to worry about this thing than did two or four or six years ago—the testimony all through shows that in the judgment of these men it would be absolutely impossible, for instance, to run a part of a plant on an eight-hour system and another part on a nine or ten hour system.

That is easy to be seen. If it were to be attempted each of the eight-hour men would get as much wages for eight hours' work as they formerly did for nine or ten hours' work, and in such case create dissatisfaction with the wages on the part of the men working the longer hours; or else they would get less wages for the eight hours, and in such case create dissatisfaction on the part of that class of employees. That is a plain business proposition. There is no employer and no business man, no man of any kind with common sense, that would deny that such an attempt in a factory would cause endless confusion and endless trouble and be provocative of endless dissention, leading up to strikes and their concomitant results and abuses.

The advocates of the bill themselves admit that. Mr. Gompers and Mr. O'Connell, I read in the hearings, have admitted that in a number of places, and have said that was to be anticipated. With that idea in mind, what would the Government contractor, supposing that everything came under the bill—I do not know what would come under and what would not, but some things would and some things would not—what will be the result? The testimony shows through the previous hearings that these men would refuse to take the Government work. And why? Because, in the first place, the Government work is only a small part; it is always a minority part of their work. I think the highest estimate that has appeared in the hearings that I have any knowledge of is 30 per cent. And in some cases it has run as low as 2 per cent.

That on the part of some people that in the aggregate are doing a great deal of work for the Government, but it is only from 2 to 30 per cent of their total output. They certainly would not sacrifice the 70 to 92 per cent of their business under the conditions that would be prescribed here, if they were applied to these businesses, in favor of the 2 to 30 per cent of Government work. The great part of the testimony, as I say, shows that these men would give up the Government work. On the other hand, if they did not give up the Government work, they would be practically compelled to confine their whole efforts to the Government work, due to the impossibility of running two systems of time. If they were to attempt to run the eight-hour

system while their competitors were running the nine and ten hour system, they would be put out of the competition on all private work on the question of cost.

Some of the advocates of the bill have said that that is not a fact, that it has never been shown but what the industries running on the eight-hour system manage to compete, and so on. I beg to submit to this committee this fact. To-day most of the businesses that are running on an eight-hour system are the building trades or such businesses that with a union label are catering to a certain class of trade, as clothing or shoes or hats or what not of that sort, and very largely catering to it under fear and under the pressure and the experience of the boycott. The building trades are local. You can not move a building; it is built to stay; and if the cost of the building is excessive, what happens if the owner goes to sell the building and the land?

He simply does not get the price for his building, and he loses money on his building; in other words, the excessive value put in, the excessive cost put into the building, is taken off the value of the land when it comes to a sale. The other class of goods are practically, as I say, sold on the union label. There may be others that I do not know of, but that is the general observation that has come under my notice.

Now, there are not any large industries—any of the mechanical industries—that are conducted widely on any eight-hour system.

Mr. VREELAND. Steel plants?

Mr. DUBRUL. No, sir, there are not; they are mostly on ten-hour systems. Take machine shops. They are on a basis of nine to ten hours. Steel plants, blast furnaces, are on a twelve-hour basis, I believe. The businesses as they go to-day are regulated very much by the productivity of their machinery, and the productivity of the labor depends on the speed of the machine. Now, to illustrate that, in the machine shops a modern system of management is being introduced whereby records are taken, not of how long work used to take in the past but how long it ought to take to do certain work. In other words, we have a lathe, for instance. An expert lathe man takes a piece of work and he finds that there is so much material to be taken off. He finds that there is such and such operation to be done on that piece. The first thing is they have standardized the belt pull, not left it to the individual judgment, because that varies, but they take the best judgment they can get on how much pull that belt should have, and when the belt gets loose it is pulled up with a scale to that point and fastened there, and when it gets loose again it is pulled up again. That is one point.

Then take the grinding of the tools—the actual work of the tools. Different men have different ideas as to grinding their tools in the machine shop, and they find by experience what steel, for instance—they standardize the quality and the brand of steel, and they find out what sort of tool gives the best results, and then they see to it that such a tool is used all over the shop. They are ground in a tool room by the most expert tool grinder that the company can get. Then the work comes to the lathe man, and he gets an instruction card which says to put the belt on such a cone, to chuck your vise in such a way—that means to get hold of it—and that ought to take you so long, giving even the time it can be done in; that it ought to take so long; to use such a tool and run at such and such a speed and you will get such a result. In other words, it is getting down to a very definite instruc-

tion for every minute operation. The result is to get the most efficiency out of the machine that is possible, and the man in a great majority of machine-shop operations is not engaged in hard physical labor, but in attention to the details of the operation.

You can see that the result of that system of management is that with the reduction of the hours the production can not be increased beyond what has been specified.

There is another concomitant to that system that I might mention in passing, that the workman that can get out the work—that is, high-pressure work—at the speed prescribed, and in the time prescribed on these instruction cards, receives from 30 to 85 per cent more pay than the workman who does not get it out.

Mr. GILBERT. What would be the difficulty of having relays of laborers? A large employer here the other day said that the eight-hour system was in vogue with him throughout his business, and that they had relays.

Mr. DUBBUL. One difficulty would be that it would divide the responsibility very largely. The machinery industries are trying to cut out night crews as much as possible. They do not want to divide the responsibility. I have seen it in my experience that a work put on a machine by the day man was finished up by the night man. It comes out wrong some way or other; there is a division of responsibility, and it becomes largely impracticable, and they do not like it. They only do it under very great pressure.

Now, the result of all this system of management is admitted, or rather the fact that the production can not be increased by the eight-hour system, is admitted by a resolution quoted before one of these hearings by Judge McCammon. That resolution is a resolution of the Federation of Labor. That resolution said in effect it was a mistake to advocate the increased output as one of the arguments of the eight-hour system, that that would take away half of the benefit of the system as the Federation of Labor saw it.

So they themselves admit that that would be a hardship.

Now, the result would be that if a firm were confined to Government contracts it could hardly live. That is the testimony of all the people who have appeared here. The Government work being irregular, nobody knowing how much the Government is going to require except in a very general way, and there being no assurance of what is going to be given out, these firms would not know what to expect.

And then there is another thing. A great deal of Government work is to-day taken at cost or less than cost for the sake of the reputation a firm expects to acquire by doing that Government work. I know, for instance, in the boiler business, when a boiler manufacturer gets a good boiler, or invents a good boiler, the first thing he wants to do is to get it into a Government battle ship, so he can say all over the country, "It is the best steamer in the world, the Government is using it in such and such a vessel," and it is worth the advertising to him to make a price to the Government for that boiler in which there is no direct return to him, but he expects to and does get it back from the mercantile trade later on as an argument for the efficiency of his boiler.

Now, if the work were confined to a few government contractors what would you have?

We would have the tendency to monopoly. We would have fewer



people competing and we would have an increase of the cost, and, practically, if not a decrease at least a maintenance of level on equality without any advance.

We know that it is the competition of one with another that compels men to improve their products, that compels them by working every corner and using every device and every means that occurs to them to reduce their cost and reduce their price. The minute we begin to contract that influence that minute we begin to introduce a monopolistic element, and the introduction of the monopolistic element is not a good thing. I think we will all admit that.

We would rather have the Government invite bids from all over and get it from all over, and get the best bids to be had without restriction at the cheapest price consistent with quality; we would rather have that, I say, as taxpayers, than to have the bidding confined to very few people and with the concomitant results, it may be, that there would be no attempt on the part of these few to restrict themselves in competition or to introduce among themselves a monopolistic element, but the natural cry would be that the Government is getting robbed, and that the Government ought to start shops of its own to produce this work. That is one of the things we are looking forward to in the future and one of the possible results of such legislation—this being a step in that direction.

Now another argument. A thing that will certainly occur to the contractor under this bill is this: Supposing that he gives out some work, piecework, to his men. What is piecework? Piecework is a private contract between the employer and the individual employee, or it may be collectively, to do certain work at a certain price. Does this bill interfere with piecework? Piecework contractors, pieceworkers, are very largely free to do as they will. I know a man, for instance, who is making certain material, who felt that his establishment ought to produce more goods and he made this sort of a contract with his help: On certain work he thought that nine pieces would be a fair day's work and he put them on a task basis, practically. He said, "We will consider nine pieces a day's work, and when you have got your nine pieces done you can go home." Did the men take short hours on that proposition? They are producing to-day 17 pieces, and they are staying right at work, and they are getting paid in proportion to the output, absolutely.

They did not take that shorter hour which they could have taken without any injury with the same wages. He was satisfied, because at nine pieces a day he felt it was a fair price—the day's work.

The result is that they have nearly doubled their wages and still continue to work the ten hours, when they might have as well gotten off at five. That is the fact; that has come within my experience.

Now, that particular grade of work is very largely manual work. Some of it goes into Government work. It is very largely manual work, and very often a man wants to finish up a piece, and he can stay five or ten minutes or half an hour, perhaps, after the whistle blows for the factory to shut down. He is not interfered with in that privilege. He is permitted to do that, but under this bill he would not be permitted to do that.

Under those circumstances, supposing such goods came under this bill, which, as I say, I can not tell about, and I doubt whether any-

body can tell until the Supreme Court has decided it, whether those goods came under this bill. Would the employer be liable under the penalty provided here for allowing that man to go on over his eight hours? I suppose he would. And if that would not be a restriction of individual liberty of that man, to take one second from 480 minutes, whether it is one second or one hour or five hours, I am very much mistaken. I read it that the bill is obligatory that at the end of 480 minutes that work shall stop, and that the employer shall not require or permit a man working for him to go beyond the dead line of 480 minutes under penalty of a crime.

If this is so, it looks very much to us like an extension through the power of contract, not by direct legislation, of course, but by an extension of the powers of government, that does not seem to be contemplated by American institutions.

I was reading the other day in the life of Abraham Lincoln where one of his famous sayings was, where the white man governs himself he admitted that to be self-government, but where he governed himself and another man he thought that was tyranny.

And it seems to us in that same connection, that where the Government prescribes labor on its own goods that it is right, but where it prescribes labor on goods it may never own it begins to look like tyranny.

For instance, to-day the Government is buying many goods on which there is no inspection at all until finally delivered and accepted by the Government. They inspect them on delivery and either accept them or reject them.

Now, supposing that such goods came under this bill; supposing that these goods were rejected; supposing that the contractor, according to his contract, had been running his eight hours, and so on; what has Congress done? It has prescribed the hours of labor on work that the Government may never own. And that is certainly an extension which good policy would not seem to indicate as wise in American practice.

That might do in Russia, it might do in Turkey; but we do not think it is the proper sort of thing to bring into America. If it is, we might as well have everything else; we might as well have the Government say that a contractor must agree not to pay less than a certain amount; that the contractor must agree to pay a minimum wage; that the contractor must agree to a certain restriction on the number of apprentices that he has, or agree not to allow a handy man, for instance, to do a mechanic's work, or that he must prevent a mechanic from running two machines, or any of the usual things that are supposed to be good for the workingmen, by the same token that the shorter day is supposed to be good.

Another practical difficulty that will occur to the contractor is the indefiniteness of this bill. In all the hearings that I have read there has not been any man that could say what was included and what was left out of this bill. Now, is a man who would like to furnish goods to the Government going to put his neck in the noose blindly and take all these chances?

Supposing, for instance, that a certain officer, in inviting bids for government goods, would say that these goods do not come under the bill. The bids are tendered accompanied by a bond for fulfillment.

In the meantime somebody else says, "Yes, they do come under the bill." When the contract is ready to sign, Mr. Contractor says, "Here, you will have to sign this contract agreeing to run your plant under this bill." If you do not, is he to forfeit a bond, or is the Government to be delayed, and readvertise under the new conditions; or is the contractor to be compelled to enter into a contract that he did not contemplate?

Those may seem trivial objections, but those are the things that are going to occur to the business men of this country where they are asked to supply any goods under this bill, the way it is drawn.

I have seen and interviewed no less than 25 or 30 in the past month, and, analyzing this bill as carefully as we could, they have all told me the same thing. It is going to throw difficulties in the way of Government work that this committee or any other committee can not appreciate, unless they can get right down into the business and ask the business men about it, and then I suppose the business men will tell them.

Now, the reply to all that is that the Government contractor is like the poor—we always have them with us. That is the only reply to that argument I have seen in the hearings. And I submit that we ought to take the word of the men who are themselves vitally interested rather than an airy statement on the part of the advocates of this bill, who are not operating businesses that are going to be affected.

Of course, gentlemen say that their desires are limited only by what they can get in this bill, and as it is all guesswork, I do not think that any contractor, in furnishing goods to the Government, is going to take the chance of being caught up on a wrong guess; he will want to know where this thing is and where the line is to be drawn before he will make a tender to the Government.

Now, this being inserted in the contract would cause endless litigation. That matter, I believe, was gone into before your committee by Mr. Davenport last week, and, as I say, the legal side of it I am not competent to speak upon; but I know, as a business man, that the Government contractors are not going to attempt to follow contracts under conditions whereby they are liable to lose money through litigation.

Here is a practical question, referring to the question asked a while ago. We will take foundry practice. The molding is done in the morning and the early part of the afternoon, and the iron is put into the cupola with the coke and begins to be melted. One day a cupola will run easier and better than another day. The heat is taken off one day five, ten minutes, or half an hour earlier than another day; and again, the next day, or perhaps two or three days afterwards, the atmosphere changes.

There is some influence that foundry men have not got down to yet; some little things happen, no extraordinary emergency, nothing that would be considered as an extraordinary emergency, I take it under the clause here, but it is a usual thing in foundry practice, and it is governed by give and take, that the foundry runs a little over time, five minutes, ten minutes, or half an hour, and the heat is taken off. They do not run two crews. But it simply comes out in that way. What are we going to do? We can not get men to work for those five or ten minutes; we can not get another crew for that. It is not an extraordinary emergency, it is a matter of common every-day occur-

rence. Where do we come in on it? Suppose that happens in the foundry of some subcontractor. The contractor is not responsible for it; he does not know anything about it. Still his money is mulcted by the proper officer under the inspectors.

I want to quote from one of the witnesses for the bill on that point. On page 126 of the hearings, I think it was the last Congress, a gentleman named Ralph testified. I will read. Mr. Ralph was evidently a steel worker:

Mr. McCAMMON. Within your knowledge, does any firm who have adopted the eight-hour day carry it out to the letter, and not permit men to work overtime?

Mr. RALPH. No, sir; I have worked thirty-six hours in the rolling mills.

Mr. McCLEARY. In succession?

Mr. RALPH. Yes, sir.

Mr. McCAMMON. And you were paid well for doing it?

Mr. RALPH. Yes; fairly well.

Mr. McCAMMON. At that time would you have liked to have been told that you could not work but eight hours?

I think this is very significant:

Mr. RALPH. I will answer that question, and state that at that time I was anxious to work twelve hours a day. I will say that I worked forty-four hours, and have been paid for forty-four consecutive hours' labor in the rolling mills. When I speak about handling this machinery and the dexterity of it, there were only three men of us who were competent to manipulate that work, and in the absence of one it necessitated one of the others working in his place; and we were so vain about the expertness with which we did that work, and so proud of our reputations, and there was so much rivalry about doing that work and accomplishing good results, that we guarded our reputations very jealously, and if I wanted to get off, if I had to attend a funeral or something else that compelled me to get off, I would call upon the man who worked at night to relieve me at 12 o'clock, which he did. He would do that for me, and I would return it some other time.

And so, if through illness or some other reason he had to be away, it devolved upon me to work extra. In addition to that I had charge of the machinery and making repairs. I learned the trade of machinist in connection with the steel business, and when I speak of this machinery—I used to supervise the operations of this machinery for repairs and so forth—we found that with a change of friction or with a change of gearing, and so forth, that there was an imperfection or misfit, necessitating the return of machinery to shop for alterations. We wanted to commence operations Monday morning, and we did everything possible so that the operations might commence promptly Monday morning at regular hour, and I remained from Saturday morning until Monday night several times supervising such a job.

That is not an extraordinary condition. There might be a crane man. Suppose they were trying to run two shifts. A crane man might be a few minutes late; that is not an extraordinary occurrence. Suppose they had a piece on the crane that required the supervision of the man in the cage all the time and the man in there simply waited a few minutes until he was relieved by another man, would that crane man come under this bill? Five dollars!

You see the difficulties, how blind this thing is, and the limits that this thing may go. There is no telling where it might stop. It would stop wherever people chose to enforce it. You can not see, I think, as business men, the justice or the equity of holding a man responsible for the acts of somebody else and forfeiting his property for the acts of somebody else over whom he has no control; but that, I take it, is very much a legal question, and I will not discuss any legal question.

But we, as business men, can not see the equity or justice of that sort of thing; nor can we see the equity or justice of the excessive punishment of \$5 a day for this 480-minute crime. Who has been injured by it? Has the Government been injured? Has the working-man himself been injured \$5? If he has, he does not get the benefit

of the \$5. So we can only say that the Government is injured. The Government is certainly not injured five dollar's worth if they get their work done a little bit sooner, and other people are not injured in the doing of it, and I submit that there has not been any testimony submitted to the committee, and that there will not be any submitted to this committee or any other, showing present conditions of the industry so absolutely intolerable as to justify the Government's stepping into its contractor's shop and saying, "You shall not do this thing."

Of course, the gentlemen on the other side say that these things are so, but I think it is up to them to prove it. And, regarding the taking away of property without recourse to courts, without a trial by jury, that is likewise a legal question I am not competent to answer.

But here is one. Take the matter of the inspection. I notice in this bill it is recognized that there are going to be a whole lot of inspectors before this work gets done. On page 2, line 5, it says:

"That any officer or person designated as inspector of the work to be performed under any such contract, or to aid in enforcing the fulfillment thereof, shall, upon observation or investigation, himself report to the proper officer of the United States or of any Territory," and so on.

Now, has every shop doing the Government work got to have an inspector there? The Government to-day is contracting for results. If you do not deliver your goods, according to specification, you do not get your money; they are rejected, and they are thrown back on your hands. There is no inspector in a great many shops, and the inspection is made on delivery. Are we to have a system of espionage all over the shops in this country that may be attempting to do Government work, a prying into affairs on the part of such inspectors; are we going to be sure that some of these inspectors are not going to be grafters and blackmailers? Just think of the opportunity a man has in a position like that, exercising arbitrary power, for the exercise of graft and blackmail.

Suppose by some inadvertence a shop should run five minutes, one minute, even one second overtime. The inspector reports or threatens to report. Say that they have a thousand men. That will be \$5,000. That is what they would have to pay. He might say, "I will settle for a couple of hundred of dollars." Is that an opportunity that some men would not use? Have we seen any of it? Have we not seen the corruption in municipal politics? Look at New York, and Mr. Parks, and others. Why? Because they were placed in a position where their temptation was great. The giver is as much to be condemned, I say, as the receiver of the bribe. They were placed in a position where the temptation to give and receive a bribe was very strong.

Now, then, are we to open the doors for a flood of such things as that? Why are the Governments of Turkey and Russia renowned for the corruption in their internal affairs? Because they present opportunities whereby the exercise of arbitrary power on the part of some underpaid official is so great that the temptation to bribery can not be resisted. And, on the other hand, where the exercise of that arbitrary power is in self-defense, those, perhaps, who give the bribes have to give up in order to save themselves greater loss. That is a serious matter, and it is a matter that should be carefully considered. That is a matter that was only touched on in any of the previous hearings, and that was, I think, by General Casey in his testimony. His

testimony was quoted, I think, somewhere to the effect that his engineer officers had neither the qualifications nor the time to act as inspectors of the time, and he said that the opportunities for bribery and corruption would be very great, and he did not approve of it for that reason.

Now, the expense of those inspectors is going to be considerable. It is going to increase the cost of the operation of the Government to a considerable extent. I think the taxpayers of the country, the farmers and the merchants and the others, even although they do pay their taxes indirectly, ought to have a right to think about these things and to say, "If we are going to have something good for one class of the Government, let us have it for all. Let us have it for the farmer and the merchant." Why should we limit it on Government work to the laborer and the mechanic? Why not say that the employer should only work eight hours a day; why not say that? Why not say that his firemen and his engineers and his designers and his draftsmen and men doing all sorts of work on Government work shall only work eight hours a day on that kind of work? We recognize immediately that it is absurd; we recognize immediately that it would be an impossible restriction, and still we are going to try to do it for one class of people, and at the expense of the general community, without any question. But it is easy enough to make public jobs private snaps.

The exemptions that are put in here. Another point on that same line. Why should there be any? The exemptions are in there, not by the wish of the advocates of the bill, because they confess that they want this to go as far as possible; but the exemptions are in there because, for instance, the railroad exemption was proposed by the railroad organization themselves; they realized—and they were men of judgment and intelligence—they realized how absurd it was to attempt to apply the provisions of this bill to the railroad transportation of the country, and so it was taken out from that business, and there have been other exemptions for the same reason.

Now, the open-market question. That is another case that is going to come to the Government contractor: What is the open market? We have, as I mentioned before, the same thing. Is a dredge an open-market commodity? If a dredge is, why is not a battle ship—or is it? That is a matter for the Supreme Court. But in the meantime the chances are the Government will get no dredges for its work on the Panama Canal. It will not have a flood of Government contractors running in with propositions for furnishing hoisting engines, and derricks, and boats, and locomotives, because with the building of that canal we will own a railroad down there at Panama, and you will have to buy locomotives, and cars, and other things of that character. Are they open-market goods? We will have to wait until the Supreme Court decides it, and in the meantime the Government perhaps waits for the Panama Canal, or anything else, and I do not know whether the Supreme Court will decide it by bunches or whether they will decide for each individual article. If the latter, it is pretty hard to see where the end will be.

Take the matter of boats. If a rowboat is an open market article, is a gasoline launch? And if a gasoline launch is, is a steam launch? And it is pretty hard, I think, to draw the line. It is pretty hard to say where the line would be drawn by anyone.

Now, one of the things that appeals to the men that are not Government

contractors, but who are opposed to this sort of legislation on general principles, is the coercion that is in this bill, the requiring or permitting clause. You have no idea, gentlemen, how that has stirred up people—the requiring or permitting. As an example of that, I want to quote from Mr. Gompers himself.

In the hearings before this committee in the last Congress this statement is found on page 229 of those hearings:

Mr. McCLEARY. In regard to the attitude of the men for the eight-hour day, wherever you put it to the men who worked with their hands they were united. I can well understand that; but might it not be true that the men were for a general proposition, as we are all for a good thing; just as a farmer might like to work eight hours, and like to have a system under which he could; but yet would the farmer like to have a law passed which would forbid him to work longer?

Now, might not this be true, that while the men who work in the factory would welcome the eight-hour day, on the theory that it would give you greater wages with greater efficiency, would the man welcome a law which would say to him "You shall not be allowed to work more than eight hours if you want to?" Did you ever put that side of it to him?

Mr. GOMPERS. Yes, sir; it occurred this way: I have the honor of belonging to the Cigar Makers' International Union of America. I worked at my trade twenty-six years and helped to the full limit of whatever ability I am possessed of to advocate a shorter workday among my fellow-craftsmen, who were and are pieceworkers.

Prior to 1894 the members of my craft worked any hour the notion took possession of them. Now, the result of it was that they would work usually seven days in the week, taking off Monday afternoon and perhaps part of Tuesday—blue Monday and its continuation the following day. They would then work as soon as they could arise in the morning until any time at night.

In 1894 a resolution was proposed at the convention of the Cigar Makers' International Union to limit the hours of labor of the members of the organization to ten per day. That proposition was submitted to a referendum vote of the members and adopted, and ten hours after January, 1895, was the regular normal workday of the members of our craft.

The convention met at the end of the year and resolved that on the 1st of January following the hours of labor should be nine per day for the members, and that on the 1st of May, 1896, the hours of labor should be reduced to eight hours per day. The proposition was submitted to the members of the International Union and ratified by an overwhelming vote, and that law has been in force from that day to this, with a provision that any member who works more than eight hours in any one calendar day shall be fined 50 cents for each such violation.

I am a member of the executive board of the Cigar Makers' Union, and fines are published in our official journal or referred to our members on that board, so that, of course, the violations of the law of the International Cigar Makers' Union in the year are well known.

Now, what does that show? That shows just as the incident I quoted you before about the men who had the privilege of going home after they made nine pieces, and who still waited and made seventeen pieces; it shows the voluntary desire on the part of some cigar makers—enough of them, mind you, to compel the passage of a coercive fine—was not so strong but what they would work more than eight hours a day, and that they had to be coerced into limiting their efforts in that regard under the paternalistic plea that it is good for them, and that the great mass ought to know what is good for them better than they know themselves.

Now, of course, it is not only the fine. A man might refuse to pay that fine and he might drop out of the Cigar Makers Union. But if the no-card-no-work system held out he could starve. And he had to pay the fine and he was coerced against his will under penalty of becoming a scab and having to submit to all the insults and the contumely that "scabs" are subjected to. It is not only the fine that is back of that thing; I have seen enough of it to know.

To-day they want engrafted by this bill just such coercion, not on the part of a voluntary organization, which not for long any more will they be able to coerce their men, the people are beginning to understand, but on the part of the United States Government. If these men willingly and voluntarily submit to that, that is their privilege. I do not question their right to voluntarily submit to a regulation and voluntarily pay that fine; but I do question the right and the justice and the equity of the United States saying that sort of thing to a man.

Now, these hearings, I think, are a good thing. They are beginning to get the people to understand a good many propositions that they did not understand before. We have seen that those who have been familiar with the movement that is going on all over, arousing many elements of the community on matters of legislation, in the way of intimidation, coercion, violence, and other questions that are to-day, I grant you, side issues of the labor question—side issues, but things that the American people are getting to understand thoroughly, and I have faith in their judgment that they will see that those side issues are abolished, and that once we are on a plane of decency, a plane of law-abiding respect for the institutions of our country, a good many other things can be settled a good deal better than they can under the present conditions.

As I say, these hearings do good in calling the attention of the people to those things, and I have no doubt but what this session of Congress will hear from more elements than it ever heard from before in relation to just such bills as this. They will hear from the citizens' alliances, the organizations that include every class of the community that does not resort to the method of the boycott or other class of intimidation. They will hear from the employers' associations and all the other organizations of manufacturers, and so on, which they have not heard from up to the present time, and all these things will show that men are interested—they are interested enough to come and present their views to this committee—whatever those views are. And it shows that the public will begin to think of those things.

And I say to the gentlemen on the other side that whatever is good in their position will come out, and whatever is bad will be crushed out; and that they ought to expect as well that whatever is good on our side will come out, and that whatever is bad on our side shall be crushed out by the sober sense and good sober judgment of the great American people to whom we must all appeal.

Now, in closing—

Mr. CALDWELL. Before you close allow me to ask you whether in your opinion this bill will increase the cost of goods to the Government; and, if so, to what extent?

Mr. DUBRUL. There is no question but that it will increase the cost very largely. It is pretty hard to say to what extent it will increase the cost, but I should say at a rough calculation that it would not be less than 10 per cent, supposing that only one hour a day were taken off of the industries affected.

Mr. GOEBEL. Would not the tendency be rather to increase the price than not to bid at all? You urged a moment ago that the tendency would be not to take contracts. Would not the tendency rather be to take contracts, but at higher figures?

Mr. DUBRUL. No; the tendency on the part of the great mass of



contractors doing work at present would be not to take it. For instance, in Cincinnati we have certain manufacturers of brass goods. They are making a line of goods for the Navy. They are very particular with that work. They do it largely as an advertisement, advertising that their goods are used by the Navy, and they are furnishing a particular grade of goods to the Navy which they do not furnish to the regular markets.

I do not know whether they would come in under this—that would have to be left to the decision of the courts—but I know under the circumstances those people will not bid; they can not afford to take a chance. They are running their shop fifty-five hours a week, and these goods go alongside of the regular goods, and it would be impracticable for them to differentiate, and it would be impracticable for them to try to segregate those goods and to run one part of the shop eight hours a day and another part nine or ten hours, as they are doing now. So these people, taking them as a type of the great mass of Government contractors to-day, would not bid.

The result would be, I suppose, economically the Government would have to have goods, and the Government under those circumstances, I suppose, would have to pay enough to justify somebody to try to operate under this bill to furnish those goods. Now, if he tried he would have an immense plant lying idle a good part of the time, because there is very little Government work in any line that is sufficient to keep a well-equipped plant running all the time.

Mr. CALDWELL. If, instead of this bill applying to Government work only, it were universal and applied to all work, would you be in favor of it or against it?

Mr. DuBRUL. That is a question that is not before the House, but I do not want to dodge it. I personally feel that this eight-hour movement is a social movement. Of course I am speaking of my own personal opinion in regard to this now. I think the tendency of industry is to a gradual shortening of the hours of labor. I am free to grant our friends on the other side are largely influential in that. It brings men up to a realization, it gets men to thinking, and it brings out what is good, and, as far as the eight-hour business goes, I myself would like to work only two hours a day and get double the salary I am getting, and all that sort of thing; I would like to work just enough to keep myself comfortably busy without worrying about anything. We would all like to be in that happy situation. But can we be?

I do not believe it is really within the province of government to say that no citizen shall work more than eight hours a day under any circumstances—not under our present constitutional Government, as I read it, or under the present spirit of our institutions.

I would like to say that it appears to me, from what conversations I have had with other men engaged in Government work, that the burdens laid on the Government contractors under this bill would, in the first place, tend to keep many a factory from taking such contracts, which would tend to deteriorate the quality and greatly increase the price of Government goods by limiting what contracts may be made under it to a few bidders.

Mr. CALDWELL. That answers my other question practically.

Mr. DuBRUL. And we know that where the monopolistic tendency exists it is to the detriment of quality and to the advancement of price. Limiting the number of bidders to less than now would largely delay

and tie up Government work, and that would lead, perhaps, and very probably, to an extension of the cry that we already hear for Government factories. The equipment for an exclusively Government shop would mean the compelling to lie idle millions of dollars, for in scarcely any branch of business are the Government needs sufficient to keep in constant operation a thoroughly equipped factory and keep it running.

Further, there is another element of cost that enters into Government work as distinguished from private work—that is, in Government factories as distinguished from private factories—and that is the cost of deterioration of plant, the cost of rent, and a proper return on the investment and buildings, the cost of supervision, maintenance, and repairs, taxes, insurance, and the thousand and one things that must be met out of the product on the part of the private manufacturers, but which the Government pays out of its regular appropriation and which they do not charge on the product.

Now, I want to call the attention of the committee to a number of questions that were asked the advocates of this bill by Mr. Payson before some of the previous committees.

I quote these questions from page 394 of the hearings on H. R. 6882. I do not know whether that is a Senate hearing or a House hearing.

Mr. GILBERT. That is probably a House hearing as it is H. R. 6882, you say.

Mr. DuBRUL (reading):

Mr. PAYSON. I ought to say, in conclusion, that not knowing what course would be taken in the argument by the gentleman who is to conclude the hearing, Mr. Gompers, I have submitted to him a few questions to which I have asked his special attention, and have asked him to answer them before you, so that his views upon a proper construction of this bill—his intentions in regard to it—may appear in the records of this committee. I volunteer the prediction that, although the questions are simple, every one of them, directly to the effect of the second section of this bill, he will not answer any one of them; and whether he does or not I ask you, gentlemen of the committee, to look over them and answer them for yourselves when you shall come to consider this bill in executive session, with a view to your committee acting upon it.

Is it not your purpose by this bill to bring about the adoption of the eight-hour day for all work in establishments partly doing contract work for the Government, either as contractors or subcontractors?

Assuming that large establishments of a country, now doing large Government work in common with private work, could not and therefore would not undertake to carry on both lines of work on different hours as a day for each line, how, in your judgment, would the large work, like ships, armor, structural iron for public buildings, etc., be carried on?

Is it, in your judgment, desirable that large constructions, like public buildings, ships of war, wharves and docks, etc., should be done by the Government direct rather than by contract? Which system is preferable?

Have you any idea, based on inquiry, as to which method would be the most economical to the Government, or do you think the Government could successfully compete with private establishments for its larger needs, like public buildings, ships, wharves, improvements of rivers and harbors, etc.? Take the proposed increase of the Navy, under the recommendations of the Secretary of the Navy, i. e., three battle ships, 13,500 tons displacement, to cost, exclusive of armor and armament, \$3,000,000 each, and three armored cruisers, 12,000 tons displacement, to cost, exclusive of armor and armaments, \$4,000,000 each, should these be built by the Government direct, or by contract?

Has the Government a navy-yard which could build them as a business proposition? What has been the experience of the Government in late years in shipbuilding at its navy-yards, if you know? What proportion of work in any large establishment that you know of is Government work?

You have heard the reasons given to this committee by prominent manufacturers who contract for the Government work why the different systems of hours for a day's work, namely, ten hours as they work and eight hours as by this bill, could not be

carried on in their shops. Do you concede this; or, if not, why do you say they could be?

Would not this bill reach cooperative societies where their products were for use in contracts with the Government and with special reference thereto? Would not the principal contractor be liable for every breach of the law by all the subcontractors? Do you know approximately what proportion of the material used in larger structures contracted for by the Government is bought in the open market, and would not subcontractors be as largely interested as the principal contractor under this bill?

If I may volunteer, in conclusion, to suggest what I think your duty is, it is that this bill should be reported adversely.

Question number one was answered by Mr. Gompers on page 403 of those hearings. At least I take it that it was answered. It was in these words:

We have been asked how far does this bill go. How far do you want it to go? If we are candid, and we desire to be, as to how far, we would answer until it reached every man, woman, and child who works in the United States. And I trust that statement will be broad enough and comprehensive enough to satisfy the opponents of the bill.

To the second question I find no answer—about how the work should be carried on.

I find an answer by one, Mr. Chance, who wanted the Government to do all the work itself.

The fourth was not answered.

The fifth was answered:

When Congress resolved to build a battle ship in the navy-yard at Brooklyn.

The answer to the sixth was:

A very large appropriation to bring that navy-yard up to date.

To the seventh, in regard to the cost of battle ships, Mr. Payson submitted statements himself, I think on the *Cincinnati* and some others built by the Cramps. I think we will get another answer in the present cruiser that is building in Brooklyn. From all accounts, from what I have heard, it is a very expensive luxury for the Government to be building its own cruisers or battle ships in the navy-yards.

And to the ninth question Mr. Gompers and Mr. O'Connell both answer that they do not think an establishment could run under two systems of time.

To the tenth, eleventh, and twelfth questions I have been unable to find any answers. If there have been any I would be glad to know it.

Now, I just want to close by saying, or rather recalling to the committee's mind, that we are not looking at this figured entirely from the point of view of the Government contractor.

I have attempted to bring out to you the difficulties which would naturally present themselves to such a contractor's mind before he enters into a contract. But through the organizations which have asked me to represent them here, as well as the contractors, we are looking at it from the point of view of the taxpayer who does not feel that the Government should expend its activities in making such public work private snaps for the opportunity of a few people, either contractors or employees or both; and, principally, from the standpoint of the citizen who does not feel that the Government should expend its activities, in the way of requiring or compelling an adult male individual who should have the power and who is, according to our law and institutions, supposed to be able to and has proved himself by past

history to be able to take care of himself without a paternalistic care exercised over him, only in a few instances, the favoritism on the part of a very limited class of adult male individuals granted by the Government through indirect contract as provided in this bill.

I should like to add a brief statement in reply to one of the questions put to me as to the result that would follow should manufacturers as a class decline to take Government contracts, leaving the work in the hands of a few who would monopolize it.

The report has been made to Congress by the Secretary of the Navy that there are but three contractors who will undertake to meet the Government's specifications for armor for war ships, and that an understanding exists between two of them whereby they bid the same price, while the third firm has not yet made any deliveries and its ability to do so is therefore untested. Now, how has Congress met this situation? By authorizing the Navy Department to build an armor-plate factory if unable to buy armor at "reasonable prices." I quote the pending naval appropriation bill.

That the Secretary of the Navy is hereby authorized to procure by contract armor of the best quality for any or all vessels herein authorized, provided such contracts can be made at a price which in his judgment is reasonable and equitable; but in case he is unable to make contracts for armor under the above conditions, he is hereby authorized and directed to procure a site for and to erect thereon a factory for the manufacture of armor, and the sum of four million dollars is hereby appropriated toward the erection of said factory.

But this is not all. I am not advised that it has been charged by anybody that there is a combination among the shipyards of the country; but nevertheless the House Committee on Naval Affairs, fearing that one might be made, has incorporated the following provision in the naval appropriation bill regarding the eight war ships authorized thereby:

*Provided*, That the Secretary of the Navy may build any or all of the vessels herein authorized in such navy-yards as he may designate, and shall build any of the vessels herein authorized in such navy-yards as he may designate, should it reasonably appear that the persons, firms, or corporations, or the agents thereof, bidding for the construction of any of said vessels have entered into any combination, agreement, or understanding the effect, object, or purpose of which is to deprive the Government of fair, open, and unrestricted competition in letting contracts for the construction of any of said vessels.

In view of this proposed legislation it seems perfectly clear what would be done if this eight-hour bill should result in creating monopolies in certain lines of Government work. Congress appears already to have answered the question.

The ACTING CHAIRMAN. There are people here to-day from a distance who wish to be heard.

Mr. GILBERT. I have a delegation upstairs waiting for me, and I will not have the pleasure of listening to the other speakers, but will have to read what is said afterwards.

Mr. GOEBEL. I suggest that we go on with the hearings.

Mr. VREELAND. Those that can stay will probably do so, and those that can not will be able to read them afterwards, as they will be reported.

The ACTING CHAIRMAN. Then, without objection, we will continue for a while.

**STATEMENT OF MR. FREDRICK H. LARTER, OF NEWARK, N. J.**

Mr. Chairman and gentlemen of the committee, I am before you just for a brief time because the business that I represent and the organizations that have sent me here are not directly concerned in Government work either as contractors or subcontractors.

I am here with my colleague, Mr. Howe, as the representative, one of the representatives, of the manufacturing jewelers of the city of Newark, N. J. I am also here by authority from the New York Jewelers' Association and Board of Trade.

The first organization that I have mentioned is made up of employers of labor in the jewelry factories in the greatest jewelry center in the country. The second organization is the commercial end of the jewelry business; it is composed of 425 of the leading manufacturers and wholesale dealers in the jewelry business. Now, as I have already said, we have no direct interest in the bearing of this bill, if in the judgment of the committee its results are to be confined entirely to those who take Government contracts, or in any way are interested in such work; but it is the judgment of myself and the gentlemen whom I represent that this bill is far-reaching, going beyond that, and therefore I am here to represent this business in proof of that which has already been said by the gentleman from Cincinnati, that all branches of trade and industries are being stirred up by the proposition to enact such a law by the Government.

We are quite sure that that which has already been stated before you, that it will be impossible to conduct any manufactory upon two bases of time, two sets of hours, is true. Therefore the whole thing by the operation of this bill will be reduced to an eight-hour day, and very quickly such influence will be brought to bear upon the business we represent that of course we will all have to come down to the eight-hour day if the Government proclaims this bill to be a law.

Now, you can say that we are makers and dealers in luxuries, things that people do not require; but, nevertheless, we are employers of labor to produce these luxuries, and in appearing before you in opposition and in protest to the enactment of this bill we believe we appear as much in the interests of the employees as we do in our own interest. I think it likely we could secure an advanced price on our products, although you will all admit that the price of jewelry, when you attempt to buy any, seems quite high enough; but I think if we were reduced to a shorter labor day we could procure an increased price on the product we put forth. But that product would be very much diminished, and, consequently, the labor that is employed to produce it will be very much curtailed, and in the end the workmen whom we represent will suffer.

We also think that the application of this becoming general, which we believe it would, would bring to our industries of all kinds demoralization and discord and unhappiness, and by that means there will be a decided reduction in the employment of labor in all classes of industry, and finally reaching that that we represent, and ultimately working to the harm of the workman, depriving him of work that he ought to have; because the commerce of the country in these products has been curtailed and reduced to the ability of the people to pay the exorbitant prices that the product will demand, being reduced, there

will be less business, less purchase of the goods, less employment, affecting not only the employer and his profit, but affecting the workmen he employs.

That, gentlemen, is the whole that I have to say to you, because of the fact that we are not directly interested in the bill; but we see in it great possibility of injury and loss to the trade that we represent.

#### STATEMENT OF MR. E. F. HARTSHORN, OF NEWARK, N. J.

Mr. Chairman, and gentlemen of the committee, I did not come here with the idea of saying anything. I am one of those unfortunate individuals who has been a worker, and have to confine my speeches to a small room with one or two auditors.

But I can state that I am positively opposed to any bill that will restrict the liberty of any man unless he is a criminal. This bill will. It positively states that a man is a criminal if he works over eight hours a day. I have worked a good many hours over eight hours. I am compelled to do it now to keep the thousand men and boys busy. I do not do it every day because I could not stand it.

When we were marching down in a section of the country that now is all one, I worked over eight hours a day carrying a musket; I worked over eight hours a day as a seaman before the mast for nearly five years. I have been employed in business as an employee and I know that side of the question. I know what is right for them. I know what they should demand, and I know what they should not demand. For thirty-five years I have been employing labor, trying to select the best for the special duties to perform, and it is a hard job. Any man knows that knows either the workman or the employee that if you are hunting for a good man you will not find it so easy. It is difficult either to perform a nice job or to be foreman or subforeman. All these facts we all know, the workmen as well as the employers.

Most all the employers of the United States have been employees. They have learned and they have pushed themselves—not by grinding labor down, because labor should have its reward, and it will be a sorry day for this country when labor is reduced to the wage of many, or all, in fact, of the foreign countries. We want the labor to have a decent wage, so that they will be consumers of goods. We sell goods, but although our goods are very popular the limit of sales is small, because every mechanic can not buy our products—his wage is not sufficient—so that we can all agree on a common ground that the laborer is entitled to what is just, but he must not demand to control the business end of the line. That is an utter impossibility.

Wherever they have done that, or attempted to do it, it has resulted in bloodshed, loss to the laborer, loss to the manufacturer, loss all around—a criminal action against the Government itself. As an American, do not make it a crime. I say, I will ask as an American, do not make it a crime for a man to work over eight hours a day.

#### STATEMENT OF MR. GEORGE B. HOWE, OF NEWARK, N. J.

Mr. Chairman and gentlemen of the committee, I am here representing the manufacturers of Newark, as my friend Mr. Larter, and I would like to say that I am here at the urgent and persistent request of the

gentlemen with whom we are both associated—as is he—because while not directly affected, as he has told you, we feel that this bill and all similar bills are absolutely wrong in principle and un-American.

The business we represent in Newark is a sensitive plant; it is a luxury pure and simple; it is always the first business to feel a depression and the last business to revive. Yet it is an important industry, and civilization everywhere is marked by luxury and its progress is marked by the development of luxury.

In our business the class of men employed must be more than mechanics; the better men must be artisans, and even more than that—they must be artists; and the number of men that can be employed in the country is limited. Our business is fitful; it is not a uniform business that runs in a uniform way, and all the manufacturers of jewelry are tested severely perhaps six years out of any ten years to keep these fine mechanics regularly employed, from the fact that the great sale on our products is in three months of the year and we are obliged to manufacture for twelve months for the sale in the fall of the year—the holiday trade—when the large part of our product is placed.

Mr. GOEBEL. What are your hours?

Mr. HOWE. Our hours are fifty-five a week, and they are that by the wish of more than two-thirds of the men employed, as expressed a little over a year ago, when the hours were shortened from sixty hours a week. The question was put to them whether they would have nine hours a day every day in the week or ten hours during the week and only five on Saturday, and by a more than two-thirds vote they decided that they would rather have this time off on Saturday, so as to give them opportunity to accomplish something in that half-day holiday rather than to have one hour off from their hours each day in the week, which they seemed to think would be useless.

I was going to say that while we discourage overtime in the factory and do comparatively little of it you can see that with the comparatively few number of men doing the high-grade work, and owing to the fact that the work must be done when it is called for, that in the fall of the year the men must average, and do average, more hours than they average during the other months of the year.

Any such bill as this, if passed, would interfere with the individual right, what we consider a God-given right, a constitutional right, to work when and where and how long he pleases. We believe the principle of this bill to be absolutely wrong. It seems to us that there is no possible way of settling this thing except by the law of supply and demand, and having grown up in this business from the bottom, as I suppose nine-tenths of the employers of labor in our line have, we all understand it. Our men work under the most favorable conditions; they are not abused or injured in the slightest degree, and the hours are not overlong.

Mr. GOEBEL. Do they do piecework?

Mr. HOWE. In some of the grades, in the medium-priced goods where they are doing the same thing over and over again, they work by piecework; they prefer to do it that way, and it is better for the manufacturer. In all the finer grades of goods I will answer no; because they can not arrange it to work by the piece in that line of work, in that special work. The taste of the American public is very particular and is increasing and demands special things and there can be no duplicating there. All that is paid for by the hour. The price

that a man may be paid depends entirely on the ability the Almighty has given him and his artistic taste and ability to execute.

I am much obliged, Mr. Chairman and gentleman.

Mr. CALDWELL. Outside the consideration of this bill, would you be opposed to fixing definite hours of daily labor by any bill or any number of hours?

Mr. HOWE. Yes; very decidedly. I believe that all those things should be left, as has been stated by the gentleman from Cincinnati, to the adult male. I want my son to have the same opportunity to advance himself that I had, and very much the same necessity will be upon him. I do not want him limited by any extra rigid rule as to the length of time he shall labor.

Mr. SCHULTIES. What work that the Government is connected with is done by your business?

Mr. HOWE. None whatever.

Mr. SCHULTIES. I would like to ask one further question, if you please. Is it a matter of fact that jewelers who do this piecework or special work you have spoken of work by the hour anyhow?

Mr. HOWE. Yes; all our force works by the hour.

Mr. SCHULTIES. And it would make no difference whether they worked eight hours or less, they would be paid by the hour anyhow?

Mr. HOWE. They are paid by the hour anyhow, based on a fifty-five-hour week.

Mr. GOEBEL. He stated all this.

Mr. HOWE. If the working hours are shortened they would expect more per hour undoubtedly. The working week now is fifty-five hours. So no man is compelled to work if he does not want to.

Mr. SCHULTIES. I think I have your idea now. You think they would ask more per hour if they only worked eight hours?

Mr. HOWE. Yes.

Mr. VREELAND. Is it not a fact that when the hours were reduced to fifty-five per week they asked for more pay per hour?

Mr. HOWE. Yes, sir; they are receiving the same compensation now for fifty-five hours that they were receiving before for sixty hours.

Mr. SCHULTIES. That does not seem to bear out your theory—

Mr. HOWE. We are paying the same.

Mr. SCHULTIES (continuing). Unless you mean that they asked for a greater rate per hour.

Mr. HOWE. Now, if the hours were reduced they would expect the same increase so as to make their net income per week the same.

Just one thing more that this calls out, and that is our success and the success of all manufacturers of luxuries depends on the general business success. The moment any disturbing influence comes in in the general business of the country we feel it instantly. Our business is a barometer of the business of the country, and we enter our strongest protest against any interference with the legitimate and necessary lines of manufacture throughout the country.

The ACTING CHAIRMAN. Mr. Schulties, how much time do you want?

Mr. SCHULTIES. Mr. Chairman, I said originally that I only wanted one hour, but I have since written some letters, owing to some testimony that was given here by Mr. Davenport, and I expect an answer from Chicago in a day or two. If that would be agreeable to the committee I would rather wait until I receive letters and statistics I have sent for,



which, in my judgment, are necessary in order to refute statements made by Mr. Davenport here the other day.

The ACTING CHAIRMAN. What does the committee say as to granting Mr. Schulties an opportunity at some future time? In the absence of objection you can have a hearing at some future time.

Mr. CALDWELL. I had a request from the Manufacturers' Association, of Illinois, to be heard, and I sent word to the chairman of this committee, who, unfortunately, is sick, and he sent word that they could be heard to-day. There are three to five of them, I think. I think they would like to be heard a week from to-day.

The ACTING CHAIRMAN. That may be so understood.

Mr. HAYDEN. Mr. Gardner told Mr. McCammon two weeks ago that two witnesses from the Carnegie Company might appear on the 25th. That is next week. They can be heard at a later day if it is desired.

Mr. GOEBEL. How many in your party?

Mr. CALDWELL. Three to five, I think they stated.

Mr. GOEBEL. And who else is there to be heard?

The CLERK. That is all for the 25th.

Mr. SPALDING. I believe Mr. DuBrul has some witnesses.

The ACTING CHAIRMAN. Will you have them here?

Mr. DuBRUL. Yes; I anticipate having three or four next week. They are simply to prove statements I have already made.

The ACTING CHAIRMAN. They will be here next Thursday?

Mr. DuBRUL. Yes, sir.

The ACTING CHAIRMAN. What will we do with the request from Pittsburg?

Mr. HAYDEN. I would like to notify them ahead of time to give them two or three days.

Mr. GOEBEL. Would the week following be all right?

Mr. HAYDEN. They can come at any time, except that they would like notice, that is all.

The ACTING CHAIRMAN. Then in the absence of objection it is understood that you will have an opportunity two weeks from to-day, Mr. Hayden.

(Thereupon at 1 o'clock the committee adjourned until Thursday, February 25, 1904, at 10.30 o'clock a. m.)

WASHINGTON, D. C., *Thursday, February 25, 1904.*

The committee met at 10.30 o'clock a. m., Hon. James P. Conner (acting chairman), in the chair.

#### STATEMENT OF MR. W. B. COWLES.

The proposed eight-hour bill, so called, brings up a very serious proposition to me and to my company, which is the Long Arms System Company, of Cleveland, Ohio. My company manufactures ship fittings and systems of power-operated doors and hatches for ships. Its business is almost entirely contracting, and subcontracting on navy work, in connection with battle ships and armored cruisers. I think that it is typical of many companies engaged in similar business, although,

perhaps, mine is peculiar in being almost entirely engaged in Government work.

The bill in question hits us right between the eyes. For the past year industrial conditions have been anything but pleasant. They have not been free from vexing and annoying—perplexing—problems; and just at this time when we have almost every other problem that a manufacturing concern can contend with, to have an eight-hour proposition injected into the situation is something wretchedly inopportune. In other words, it is a wretchedly inopportune time to take up, to be forced to take up, a perplexing proposition of this kind, to the management, and the practical men who have to bring the capital and the labor together to make it profitable to both sides. My company is now running on a ten-hour basis, with Saturday afternoons, summer and winter, off. We have to use, we must use, in the conduct of our business, a great deal of overtime, which I will take up later. The point is that we are running just now on the ten-hour basis. Under this bill we would be absolutely and arbitrarily prohibited from running any more than eight hours. We can not run double shifts, our business does not warrant it.

Our work is such that we can not put two men on a continuous operation on the same piece of work. The individual responsibility of the men prohibits that. A man in taking up a job of a piece of fitting of machine work must complete it, and he completes it by the hundred, because we manufacture; we do not build. The earning capacity of our own plant, in which two-thirds, three-quarters, of the capital is invested—a permanent investment tied up there, which can not be taken out—is subject to this bill. The earning capacity of that money put into that plant is confiscated to the extent of over 20 per cent—25 per cent, if you put it on this new basis—absolutely confiscated. The labor cost entering into our manufacturing will be increased. The first and direct increase will be 25 per cent of the new basis. To figure the percentage on the old basis, it is 20 per cent, and on the new contracts it is 25 per cent. That is a double cut, increasing the cost of labor and decreasing the earning capacity of your plant and capital.

I have been asked the question, "Could not you raise your price on your manufactured goods to make up for the difference?" I answer "No; I could not." It is hard enough now, as it is, to maintain anywhere near reasonable and profitable prices for Government work, and the Government officials and the contractors under whom I am a subcontractor would oppose all kinds of conceivable obstructions to the raising of prices after they have been once fixed, as they are now. It would be a very tangling business proposition to go to work and raise prices on manufactured goods of our company; it would be next to impossible to do it. The tendency is in all such manufactures to go down. A jump up! Everybody would raise their hands in horror. It is not a business proposition. You can not raise your prices to cover any such tremendous reduction as I have mentioned.

There is another very important point. I do not pretend to understand this bill. I have a good business knowledge, and I can understand things fairly well, and I have read this bill, different forms of it, and as I understand the form now under consideration, I can not pretend to figure out what position it would put me in definitely. I only know this, that I would be up against chaos in my business. I do not know where I would stand, and I would not know how to formulate a con-

tract on new work that would steer me clear of the rocks, with that bill imposed in my path, as manager and treasurer of my company. The imposition of penalties for overtime or overwork beyond the stipulated eight hours to the minute brings in every opportunity you could conceive of making a case against the manufacturer to hold up the payment of his bills. It is sometimes hard enough now, and vexatious enough, and the consumption of time sometimes aggravating in the extreme, to await payments on Government work until every jot and tittle of the law is complied with. In that respect Government work varies vastly from merchant work. Here this bill proposes penalties and makes about every man jack in sight connected with that work virtually a spy to report overtime work, which makes the contractor subject to those penalties, and his payments are held up subject to the settlement of all of those points, and his payments may be held up for a year. I have got payments now held up over eight months—nine months. That increases the working capital that you have got to have to carry your business, and that brings on another big expense connected with this work.

There is another point connected with that holding up of payment and inspectors of Government work. I will say right here that my experience with inspectors of naval work has been such as to make me believe that there are not any of them that I have ever come across that are dishonest. Many of them stand up so straight they fall over backward, but I have never come across one that I thought could be bribed, directly or indirectly. This bill, however, brings in an enormously increased temptation to an inspector if he is disposed to make trouble. It also throws down before the eyes of the typical trouble maker an opportunity to carry out his schemes without limit. It puts the manufacturer in the hands of every disgruntled man, either in or out of the shop, to watch and see that no man in that establishment works one minute over the limit of eight hours in the twenty-four, and if he does, they can pull the place right up and stop all payments until those penalties are adjusted. And the manufacturer, as I say, has no recourse except through a long process of law; and I, for one, am not in business to hunt for law suits. That is a chaotic state of affairs, and prohibits business and transactions and progress in manufacturing business.

There is another thing. My company uses a very large lot of steel castings in its business. Those castings are not made directly by my company; they are subcontracted. Under the terms of this bill, as far as I can interpret the bill, those steel castings come under the eight-hour limit. Now, gentlemen, can you imagine an open-hearth furnace started and stopped arbitrarily by law; you might as well try to stop the limited express. When the furnace is started it has got to go to the end of its operation in order to turn out the metal. You can not stop it. And there are hundreds of things which delay the time of stopping it and delay the time of the termination of the operation, and you can no more stop a foundry, you can no more stop the operation of a cupola or an open-hearth, or any kind of a metal furnace when it is under way, than you can stop the sun. You cannot stop it unless you lose your product in the furnace.

I see an immense amount of chaos and confusion there in trying to change and limit these uncertain operations to eight hours in a foundry, and I say it with all respect; and I do not speak this as a man

who knows anything about the law at all—about legislation—but I do know about that practical part needed, and I say that no legislation under heaven can make an eight-hour day a practical thing in a foundry.

Mr. HUGHES. Or any fixed number of hours?

Mr. COWLES. Or any hours. It is a matter of mechanical principles—a heat process—and you are not through with that by law or anything but the conditions governing the chemical processes in that furnace.

Mr. GOEBEL. What business do you represent?

Mr. COWLES. The Long Arm Company, of Cleveland, Ohio, which manufactures ship fittings, and almost all our work is contracting, or subcontracting on naval vessels.

A MEMBER. What chemical processes were you discussing?

Mr. COWLES. Either in a cupola furnace, for gray iron, or open-hearth furnaces for steel castings, specifically referring to those two as directly hitting me.

Mr. CALDWELL. What proportion of your output would be affected by this bill?

Mr. COWLES. I think 99 per cent at this time. Our output is for naval ships under a contract or subcontract, or both, with the Navy Department.

Mr. GOEBEL. Would you not come under this provision of the bill: "No penalties shall be imposed for any violation of such provision in such contract due to any emergency, caused by fire, famine, or flood, by danger to life or to property, or by other extraordinary event or condition?"

Mr. COWLES. That is a part of the interpretation of that bill which I can not undertake to say. I only know that it puts my mind in chaos, and my mind is one that is not accustomed to being put in chaos. I can not tell where I am under that bill. I only know that I am in the air. Frankly and honestly, however, I can not see that there is anything in the bill which exempts me, unless it is a war emergency, under which there is an order from the War Department or the Navy Department to hustle the work; otherwise I do not see but what I am there.

Mr. O'CONNELL. Have you any idea how the eight-hour shipyards in England are operated?

Mr. COWLES. I have a slight acquaintance, because shipbuilding has been my business all my life, and marine engineering. I do not know of a single concern in the world where the eight-hour limit of work holds good.

There may be concerns that nominally work eight hours a day, but they are not prohibited from overtime. They are not prohibited and limited to eight hours in twenty-four, and no more or no less—less does not count—no more, not a minute more. That is a cruel thing.

Mr. O'CONNELL. You do not think there are any eight-hour shops?

Mr. COWLES. Eight hours absolutely? No. No, there could not be; because, gentlemen, I can not run my business if this bill passes. I have simply got to go out. I can not work Navy business because the eight-hour limit stops me. I have got to shift over entirely into mercantile business, and there is not enough of it to keep me going, and I shall have to shift over into the bankruptcy court, and it is a life and death matter to me. That is the reason I am so earnest in this matter, and that is the reason I have come here to Washington to speak to you.

Mr. CALDWELL. What number of men do you employ?

Mr. COWLES. 230 to 240. Assuming that I should live and get to going on new contracts—which I could not do, because I would die before the new contracts should come in, this bill admittedly not applying to the present contracts—I have tried to find out by reading the bill where I would be and where I should draw the line between new and old contracts, and I fail to see how I could do it. Recollect this, that it is utterly impossible for me to work eight hours a day and ten hours a day in the same establishment. That can not be done; it is impossible—just as impossible as it is to run your furnaces on the same basis. You can not have an eight and ten hour basis in the same place. I have either got to finish up my old contracts on the ten-hour basis and have a gap between the finishing of the old contracts and the taking on of the new ones—which gap itself would kill me in a business way—or I have got to take on the new ones and be permitted to work ten hours on the new ones until I finish up my old ones. Now, am I permitted to do that? I do not know. I think not.

But it would take a mind more accomplished and able and all-including than mine to say where he was and how to draw that line between old contracts and new ones. Whenever any part of a contract, any little particular material coming in, of processes going through the works, is delayed by any of the numerous delays which a manufacturer is heir to—transportation delays, fire in another establishment, a strike in another establishment, mistakes or accidents in your own establishment or others—whenever such things delay a part, even a small part, of the total of your contracts, the only way in which you can catch up and avoid delaying the whole contract is to work overtime, with extra pressure on that part which is delayed; otherwise the speed of completing the whole contract is the speed of the slowest part. Manufacturers habitually use overtime to catch up with certain parts, otherwise the contracts would run into indefinite periods. By the bill proposed the overtime is absolutely prohibited, and you do not know when you are going to get clear of your contracts and when you are going to turn over that money and get at something new.

Another point is this. I can not touch mercantile work under this bill unless I give up Government work, because I can not touch Government work without being forced to use an eight-hour basis; and if I use the eight-hour basis I can not touch mercantile work because I would then be in competition in that mercantile work with those who use ten hours. That is plain. As I said, I am handicapped 20 to 25 per cent on the labor, 20 per cent on the earning capacity of my plant, and of course I can not compete with my competitors who are not handicapped in that way in merchant work. I am cut out of merchant work. I mean I must make my election now at the time the bill passes as to which I will do. And there is not enough Government work for any manufacturer, the conditions are too fluctuating for any man to depend on Government work. Therefore, I must quit Government work and get the merchant work if I can. My company has some foreign work, it is just commencing to build up, under our foreign agencies. We can not be handicapped by this basis. That has got to be done on a different basis if this bill passes. I can not do a dollar's worth of foreign work. This result is that I am put on the anxious seat, and very severely on the anxious seat, until this proposition is settled one way or the other.

Mr. DU BRUL. This gap you spoke of between old and new work under this bill, what would be the effect on the Government's naval work while that gap was going on in the matter of delays on the battle ships?

Mr. COWLES. A battle ship is a composite thing, as you all know; its completion depends upon the completion of the last detail. It can not go into service, can not go into commission, until its equipments are completed and installed on board, and the equipments, many of them such as I manufacture, are as important for the completion of it and as important for getting it under commission as the keel. You can not put your ship into commission without the water-tight doors, for instance; and if I had a contract, as I have now on 15 ships, or something of that kind, for a lot of ship fittings and water-tight doors, electric-power doors, I can push those; they are not affected. But along come new appropriations and new ships, and they have to have these things.

I can not commence on them until I get the others done, and there will be a gap of anywhere from eight to ten or fifteen months between the completion of some of my present contracts, the last ones of my present contracts, and the new contracts would come in, say, in three or four months from now, and I could not do any work on them until I had booked those contracts, say something like a year, and that would be just that much delay on the ships which these things apply to.

You say this is a commercial condition that can be overcome. That can not be. We live by dollars and cents, and when we can not put two dollars together and make two dollars and ten cents out of them instead of a dollar and a half we quit. If the conditions are put upon us so that we can not live, we die.

Mr. DU BRUL. In the matter of rejections which sometimes occur on inspections, of course the Government has no interest in the goods that are rejected?

Mr. COWLES. None whatever, except to see that they do not come in again.

Mr. DU BRUL. In case this bill were to apply to goods made under contract, then of course the Government would be specifying conditions in the contract to apply to goods that it might never own?

Mr. COWLES. Our rejections would be increased in dead loss if we could not use them somewhere else; and we can not. They are special, so that they can not be used anywhere else, or very little of them, and they are scrap, and the loss in scrap has the same relative increase in dead loss that your contracts have.

Mr. O'CONNELL. The same thing would apply to the private manufacturer?

Mr. COWLES. Yes, sir; but the point was as to the rejections from inspection.

Mr. O'CONNELL. That would be the same on private contracts?

Mr. COWLES. Yes; the same as it is now. Your rejections under private contracts cost you just what the other contracts cost, but the cost of all of it, I mean, is going to be increased.

Mr. O'CONNELL. I would like to ask the gentleman a question. You state that with the enactment of this law the increase of your foreign business would be stopped and you would have to manufacture abroad—in Great Britain, for instance.

Mr. COWLES. Yes, sir.

Mr. O'CONNELL. Do you mean to say that you can manufacture on the ten-hour basis in Great Britain?

Mr. COWLES. It is not so much the ten-hour basis and eight-hour basis, though that is the big trouble. It has added to that the prohibition of any overtime, too. It is not conceded by any means by me that I could not use a ten-hour basis in Great Britain in my manufacturing, because there are lots of concerns there using a ten-hour basis.

Mr. O'CONNELL. My point was, you said that if you were compelled to go to the eight-hour basis here in this country you would be compelled to operate somewhere else, and you would then go to a country where you would be permitted to operate on the ten-hour basis.

Mr. COWLES. The difference in manufacture here and abroad is not enough in favor of the United States, in my specialty, to warrant me in working eight hours here in manufacturing where I could work ten hours abroad. Now, if you assume that I am to be handicapped and pestered and thwarted and throttled, the two things go together, and the relative advantage is the same as this.

Mr. O'CONNELL. I infer you would go to Great Britain, where the hours of labor are less than they are in this country.

Mr. COWLES. Yes, sir.

Mr. DU BRUL. In France and Germany and Belgium, perhaps as well as Great Britain, perhaps you could find what you wanted; and there are others.

Mr. COWLES. Holland is open practically to manufacturers, and free to a much greater extent from restrictions of that kind.

Mr. O'CONNELL. So is China.

Mr. COWLES. We do not manufacture in China; that is a bridge we have yet to cross.

Mr. CALDWELL. Do you pay your employees by the hour or by the day?

Mr. COWLES. We pay no one by the day; they are all by the month or by the hour. We do not know what day wages mean. We pay a higher labor rate than our surrounding neighbors.

Mr. CALDWELL. I did not know but what by saying you gave the Saturday afternoon to your employees you meant you paid them for six days a week and gave them Saturday afternoon—that is, that you paid them at the rate of six full days and gave them Saturday afternoon?

Mr. COWLES. We pay an hourly rate, which is based upon the current rate in that district, and a little more, in order to attract the best and most skilled workmen, such as we need in our business.

Mr. HUGHES. Where is your place?

Mr. COWLES. Cleveland, Ohio. And we do not pay any fictitious time. We pay overtime. We do not pay for Saturday afternoon and make a present of it to our workmen. It comes in and evens up in the rate of pay.

Mr. CALDWELL. But fifty-five hours makes up a full week's work?

Mr. COWLES. No, sir; it does not. Fifty-six hours is our regular time now. Sixty hours will be after March 1. All time over the sixty hours will be overtime; but now all time over fifty-six hours is overtime.

Mr. HUGHES. You say it is fifty-six hours now, and the limit is going to be sixty hours after March 1.

Mr. COWLES. Yes.

Mr. HUGHES. So that the hours of labor are being increased to that extent?

Mr. COWLES. In that special place and in that special instance they are, I think, quite to the satisfaction of the employees.

Mr. O'CONNELL. You say sixty hours will be a week's work after March 1?

Mr. COWLES. Yes, sir.

Mr. O'CONNELL. You establish that as the law, that that should be sixty hours? You make that law yourself?

Mr. COWLES. That will be the shop time in my establishment after March 1. For two years and over, for nearly two and a half years, we have been working on the fifty-six hour basis, and we have found that it is not satisfactory to anybody.

Mr. O'CONNELL. Suppose the men should say, "We say fifty-six hours shall be a week's work?"

Mr. COWLES. They have that privilege. We do not force anybody to work in our shops.

Mr. O'CONNELL. Suppose you disagree?

Mr. COWLES. We agree the same as any business man does.

Mr. O'CONNELL. Would your contracts with the Government then stand idle?

Mr. COWLES. I think they would not stand idle. Of course if we had a strike they would, for a time.

Mr. O'CONNELL. I am simply taking the fact that you say one condition of hours shall prevail, and the men might say that another condition of hours should prevail.

Mr. COWLES. Yes.

Mr. O'CONNELL. There might be a disagreement there?

Mr. COWLES. Yes.

Mr. O'CONNELL. You say if you are compelled to go on an eight-hour basis it would put you at a disadvantage with shops that are operating on a ten-hour basis.

Mr. COWLES. Yes, sir.

Mr. O'CONNELL. That is true?

Mr. COWLES. That is true.

Mr. O'CONNELL. The fact that you are going on a sixty-hour basis now will give you an advantage over shops competing for Government or for other work that are operating on a fifty-six hour basis?

Mr. COWLES. I find that the people in my neighborhood and in my business are not working fifty-six hours. They have been working sixty hours, my competitors have, right along. I can not stand it any longer.

Mr. O'CONNELL. That does not answer the question. Will this sixty-hour basis give you an advantage over any shop that is working fifty-six hours?

Mr. COWLES. It will increase the working capacity of my plant, and it will give the men a greater pay roll.

Mr. O'CONNELL. Will it be an advantage to you?

Mr. COWLES. It would, to some extent. Anything that decreases the actual cost of work, like the increase of earning capacity of a plant, that gives a person an advantage.

Mr. O'CONNELL. Any eight-hour shop that is now in operation in this country is at that disadvantage in competing on government work with ten-hour shops, is it not?



Mr. COWLES. All other things being equal, they must certainly be so.

Mr. O'CONNELL. They are practically shut out from that competition by the fact that the other shops are operating on a ten-hour basis?

Mr. COWLES. It stands to reason if you pay \$1.20 or \$1.25 for a certain amount of labor and another man pays only \$1 for the same amount of labor, he has got the inside track on you in competition.

Mr. O'CONNELL. Have you any idea as to how many hours a day should constitute a day's labor?

Mr. COWLES. I beg your pardon.

Mr. O'CONNELL. Have you any fixed number of hours in your mind that you think, if you could arbitrarily fix it, should constitute a day's labor?

Mr. COWLES. I have worked on both sides of this thing, worked at the bench, and learned my trade in the machine shop and shipyard. I know what it is on both sides, and as between the old twelve or fourteen hours and the ten-hour day, there is no question in my mind ten hours is the best thing. As between ten hours and nine and a half hours, the difference is so much, on the basis that you assume, that frankly and honestly I could not say. Between eight hours and ten hours, I say that eight hours is loafing, and it is giving away the energy wrapped up in this country, and it is nonsense.

Mr. O'CONNELL. Do you not think that the same arguments were made when it was suggested to reduce the hours from fourteen to ten as are made now when it is proposed to reduce them to eight?

Mr. COWLES. The proposition is absolutely different, because it is based absolutely and finally on the average human elastic limit, to speak in an engineering way, a testing way, as to the average man. I am talking about manual labor now. The average man can stand without any detriment whatever his ten hours a day, whereas, as I recollect in my own case when I was an apprentice boy and worked overtime to pay for my board and so forth, when I worked fourteen hours I was not any good when I did it for six days in the week, whereas if I worked ten hours I could do it and give my employer a fair day's work for what he paid me. And if you are going to go and make it away below the limit, why not make it six hours? That is lots easier and nicer for the men. You could not do that.

Mr. O'CONNELL. I don't know.

Mr. COWLES. Now, it is a matter of judgment, a matter of the utilization of the powers in you, and if you are going to throw away a lot of it and throw it in the air like so much smoke, it is all right, if you like that sort of thing. I am not that kind of an American. I do not think it is any hardship whatever for a workingman to work ten hours a day. I speak as a workingman. I think all the rest of it is academic nonsense.

#### STATEMENT OF H. M. COVELL.

Mr. Chairman, I am superintendent and manager of a manufacturing company of Brooklyn, N. Y., engaged in the manufacturing of electrical machinery and hoisting machinery of all kinds which goes on shipboard, which goes into sewers, and is used for dredging our harbors and rivers, and, in fact, to do every kind of hoisting work. About 20 per cent of our business is in Government work, and should this bill prevail we would simply have to stop doing Government

work, because it is absolutely impossible from a manufacturing, mechanical, practical standpoint, and it would be prohibitive for us to attempt to run our shop on a business basis in that way.

A great part of our output is made up of stock articles. We absolutely could not conceive of the idea of working a part of our shop on an eight-hour basis and another part on the ten-hour basis, and we would have to either work on the eight-hour basis for Government work, or, on the other hand, on the nine-hour basis, 54 hours a week, as we are working. That is the entire matter as far as I understand. It simply means with us the stopping of Government work, and that condition must necessarily prevail in the 400 other concerns in the country engaged in the same business, who are our competitors. If we should say that we would abandon all of the work and devote our energies entirely to Government work, it would mean a reduction in our force of 80 per cent of the men. We employ 800 men, and our pay roll is from \$13,000 to \$15,000 per week. That is our little story. I am here to answer any questions that you may wish to ask me.

Mr. CALDWELL. What proportion of your output is taken by the Government?

Mr. COVELL. I should say that the minimum amount it would be safe to say is 20 per cent, perhaps 25 per cent, of Government work. This is now increasing, and we are in fact now moving our works to an adjacent town where we can build works with a capacity of 2,000 or 3,000 men.

Mr. CALDWELL. Is your Government work made mostly on specifications, or do you sell in the open market to the Government?

Mr. COVELL. It is made mostly on specifications. A large number of the commodity, the article itself, is made on specifications.

Mr. HUGHES. How would you feel about a bill that permitted you to work overtime on Government work—time and a half; would that help you?

Mr. COVELL. We do work now on time and a half. We have time and a half for overtime and double time for Sundays and holidays, and we have to work that way now on Government work. Repairs are necessary sometimes, and sometimes they want the work in a hurry.

Mr. HUGHES. That would suit you?

Mr. COVELL. On Government work?

Mr. HUGHES. Yes.

Mr. COVELL. No, sir; there is not enough of it. The remaining part of our output would stop. We must either devote ourselves to Government work or do no Government work.

Mr. HUGHES. But what I am trying to get at is—and I do not know whether I make it clear—if you had a piece of Government work to do you would ordinarily put six men on it to work it up, and if you would put eight men on it you would do it in eight hours, and if by any mischance you happened to run over the eight hours take overtime.

Mr. COVELL. That would not suit me at all. I do not want to be too technical, but you take one of these steel hoisting engines, such as they have here on Pennsylvania avenue now digging a sewer. That is engaged on Government work and is owned by the District of Columbia. Take the reciprocating parts, the cylinder points; we have probably numbers of those parts carried in stock, and we would

have to take the time to make those on the eight-hour basis. A man can not run his tools on a one-third speed, or drop one thing and run to another tool to start on another job. Shops are not run that way.

Mr. DU BRUL. You are running a foundry?

Mr. COVELL. Yes, sir.

Mr. DU BRUL. Is there any absolute limit possible, whether it is ten hours or sixteen hours or eight hours?

Mr. COVELL. It is absolutely impossible in a foundry.

Mr. HUGHES. Why is that? First, I want to tell you that my father was an iron molder, and that he has worked under the eight-hour, the nine-hour, and the ten and twelve hour systems; so that if you will explain to me why it is impossible to run a foundry on the eight-hour system I would like to have you do it.

Mr. COVELL. You are speaking of an eight-hour, 480-minute, week. Suppose there comes a bad day, and your cupola drags, your iron does not come down, as they call it, and instead of getting through and pouring off by 4 o'clock in the afternoon, you can not get the iron, and you have to wait and pour off from three-quarters of an hour to three hours later. I have seen the foundry run four hours later.

Mr. HUGHES. That is only in case of an emergency?

Mr. COVELL. It happens frequently. There may be a misjudgment on the part of the foreman as to the time necessary. We have the same thing in the forge. Take some large forging you are making—wheel plates, for instance—one minute overtime and you are fined. How can we do that?

Mr. HUGHES. You do not claim that you can not limit the actual casting process—that that is the only part of the work that can not be limited?

Mr. COVELL. Yes, sir.

Mr. HUGHES. You can start it any time you like?

Mr. COVELL. Yes.

Mr. HUGHES. Unless some extraordinary emergency occurs, it can be finished?

Mr. COVELL. Yes.

A BYSTANDER. Would you see anything extraordinary in the hanging of a cupola?

Mr. COVELL. No, sir; it is an everyday affair.

Mr. HUGHES. You are working what time now?

Mr. COVELL. Fifty-four hours a week.

Mr. HUGHES. That must be stopped how often?

Mr. COVELL. We stop three times a week, two days at 5 o'clock and one day at 12.

Mr. HUGHES. That answers my question. You do not seem to have any difficulty in stopping arbitrary hours now.

Mr. COVELL. The foundry is an exception to that. We do not pretend to make a full day's work in the foundry on Saturday.

Mr. HUGHES. When you begin to draw your iron—what is it you call it?

Mr. COVELL. The "pour-off?"

Mr. HUGHES. Yes; is there anything to prevent you from stopping an hour earlier?

Mr. COVELL. The completion of the mold to enable them to pour off.

Mr. HUGHES. But there is nothing to prevent you from having more men at work to complete the molding?

Mr. COVELL. Yes, sir; there could be a greater number of men. Of course, we could complete it.

Mr. HUGHES. Taking the footboard of a locomotive, is that a casting?

Mr. COVELL. I am unable to answer that question, because we do not make footboards.

Mr. HUGHES. Or a driving wheel?

Mr. COVELL. It is a casting; and nobody can tell whether it is going to take one, two, five, or one hundred hours to fix that casting.

Mr. HUGHES. To do the casting?

Mr. COVELL. Yes sir. You take a bedplate of an engine, you must ordinarily make that in five hours, but at the same time, most certainly, through some mishap they may have to work two hours overtime.

Mr. HUGHES. To get back to the drive wheel of the locomotive.

Mr. COVELL. Yes; that is the same case.

Mr. HUGHES. A man does in a day the actual molding work of more than one of those?

Mr. COVELL. Yes, I should say perhaps two in one day. I am not acquainted with the details of that.

Mr. HUGHES. Of course if one man could make two, two men could make three in a shorter time?

Mr. COVELL. Yes, and double your cost.

Mr. HUGHES. I am not speaking of that.

Mr. COVELL. Yes, but that is just the point.

Mr. HUGHES. Speak of that at some other time.

Mr. COVELL. That is always before my mind.

Mr. HUGHES. Suppose you try to get this proposition before your mind and try to give us this information for our instruction.

Mr. COVELL. I will try to.

Mr. HUGHES. Is there any absolutely insuperable obstacle to your working an eight-hour day?

Mr. COVELL. No, sir. I am only assuming that in case we have to, we can go ahead there, but I am assuming a limit absolutely to 480 hours per week. It can not be done in any shop.

Mr. HUGHES. It can be limited to eight hours as well as to ten?

Mr. COVELL. It can not be limited to anything.

Mr. HUGHES. It can be limited to eight hours as well as it can be limited to ten hours, can it not?

Mr. COVELL. It can not be limited to eight hours or six hours or anything.

Mr. HUGHES. That is what I am getting at.

Mr. COVELL. Certainly.

Mr. HUGHES. You have to have a larger space and a larger force, and so forth, to do the same amount of work in eight hours that you have been doing in ten hours?

Mr. COVELL. Yes, but you can not limit it to eight hours, or to any specified number of hours—eight hours, or ten hours, or twelve hours. You have to have time to overcome obstacles and troubles which arise in everybody's business—I know they do in my own.

Mr. HUGHES. When the time comes to cast, all molding work stops?

Mr. COVELL. No, sir, not necessarily; plenty of work goes on casting, or until they get their work ready to cast.

Mr. HUGHES. Do they hold up a cast for a man who is very far behind?

Mr. COVELL. Yes, sir; I have seen the blower shut off. That does not happen very often, of course; but I have seen it done. They begin to cast in any foundry in the early part of the day when the head men are closing their molds.

Mr. HUGHES. There is nothing to prevent any piece of work being carried over until the next day?

Mr. COVELL. Yes, sir. Of course, I do not mean to say that all molds are made in one day or in one week.

Mr. HUGHES. That is what I understood. Of course, I do not know as much about that as you do.

Mr. BARTHOLDT. Do you keep any hoisting machines in stock?

Mr. COVELL. Yes, sir.

Mr. BARTHOLDT. Is it not possible that the Government could purchase them in the open market?

Mr. COVELL. No, sir; I only know that all hoisting purchases made by the Government are made through specifications.

Mr. BARTHOLDT. Of course, you know this bill provides that it shall not apply to any purchases of supplies in the open market, so that if the Government should want a hoisting machine, and it was in your shop, they could purchase it, no matter whether made under the eight-hour system or not?

Mr. COVELL. We have never sold a hoisting machine that was not advertised for and bid on according to printed specifications. It is not like a keg of nails or anything of that sort. It is not a stock article in that respect.

Mr. DU BRUL. Just one point about this foundry question. Suppose your wind was shut off of the cupola at the eight-hour limit or any other arbitrary limit of time, what would happen to the cupola?

Mr. COVELL. It would not happen very long; it would clog. You could not do it. I can not conceive of a cupola bottom being dropped that was a half or a quarter full, or any part full of molten iron.

Mr. DU BRUL. You are doing some Government work?

Mr. COVELL. Yes, sir.

Mr. DU BRUL. What would you do on that?

Mr. COVELL. We could not do it. It would absolutely stop it. A great part of our work is foreign work. We have spent thousands of dollars to introduce our goods into foreign countries. We could not compete.

Mr. HUGHES. What foreign countries do you sell to?

Mr. COVELL. Some in England, some in Germany, some in Russia, and South Africa, and Mexico and the Central American States, and Chili and Japan.

M. DU BRUL. Do you sell much in England?

Mr. COVELL. Not much; some.

Mr. DU BRUL. You know there are a number of concerns, well, I will say there is one very large concern—ship-building concern—in England, which operates entirely on an eight-hour basis.

Mr. COVELL. I can only tell you that I am not positively acquainted with it. There are eight-hour shops in England, I presume, although I am not positive of it.

Mr. DU BRUL. Do you know that concern that is; what is the name of it?

Mr. HUGHES. I have been looking for the report of the Bureau of Labor, which gives all that information. It is a very good one.

Mr. COVELL. There are gentlemen here who could give you that.

Mr. DOWNEY. I would like to ask Mr. Cramp a question right there.

Mr. McCAMMON. Mr. Cramp did not come here for the purpose of saying anything, and he has just stepped out of the room. My understanding is—I do not speak with any exact knowledge—that up to a year ago there were some such concerns in Great Britain, and that there are establishments there that work under the nine-hour system; but even then it is not under an arbitrary nine-hour system, but it is simply that nine hours is rated as a day's work. If they want to work eight hours they can do it. I do not speak of it except up to within a year or eighteen months.

Mr. DOWNEY. I can tell you that I think fully 90 per cent of all that do in those English shipyards is on a piece-work basis anyhow.

Mr. HUGHES. That may be so.

Mr. DOWNEY. And I do not know of any establishments that work eight hours only.

Mr. HUGHES. It is important for all you gentlemen who appear in opposition to this bill to be familiar with the facts set out in that bulletin of the Bureau of Labor of which I have spoken.

Mr. O'CONNELL. Do you believe the manufacturers of this country would object to an eight-hour law providing it did not prevent the working of overtime?

Mr. COVELL. Yes, sir; they would.

Mr. O'CONNELL. Suppose they were satisfied with a legal ten-hour day.

Mr. COVELL. I suppose they would. It is the general custom and practice; things are capitalized and fixed charges are based on that.

#### **STATEMENT OF MR. WALLACE DOWNEY, PRESIDENT OF THE TOWNSEND-DOWNEY SHIPBUILDING COMPANY OF NEW YORK.**

I am here representing the New York Metal Trades Association, composed of about seventy business concerns in New York and employing in the neighborhood of 9,000 men. I want to say to you, Mr. Chairman, as representing the New York Metal Trades Association, I have mentioned that the total membership of that association is about sixty to seventy concerns—I do not remember exactly how many; that we are absolutely opposed to Congress passing a law that limits the working day to eight hours. The members of this association are opposed to legislation that limits the working day to any number of hours.

The members of our association are engaged largely in shipbuilding, ship repairing, engine building, boiler building, and the different lines of work that enter into the construction and repair of ships, as well as the structural work ashore, and are looking at this matter impartially and without any prejudice, I mean prejudice against an eight-hour day or a three-hour day if we could afford it, but we can not afford it. I have had experience in a suit of overalls, and I have had experience as an employer and as an investor in certain industries, and looking at this matter perfectly impartially, and without any prejudice, my judgment is that the employer in this country can not

yet afford an eight-hour day. I believe an eight-hour day will come ultimately, and I certainly hope it will, but I do not think that legislating it at this time is advantageous, either to the employer or to the workman of this country, and I say most emphatically that my judgment is that the employer can not afford an eight-hour day now, and the workman certainly can not afford it.

My own concern and a number of the concerns in our association manufacture articles and take contracts for building—manufacture articles intended for use in Government work, ships, and other work, and also take contracts for building Government ships. I am building Government ships now. Our Government work since I have been running a shipyard has been possibly 25 per cent of our total work. If we were obliged by law to go to an eight-hour day on that Government work, we would lose money on work we have got, and ultimately would have to abandon Government work or abandon the merchant work. The demand for merchant ships in this country now, even at a price based on nine hours or ten hours a day, is so small that the shipyards have very little to do; they are taking orders at any price just to keep their tools running, and I will say that it is absolutely impossible for anyone, under the present situation in shipping, to afford an American ship built under an eight-hour day law. They can not afford it. They can not afford those ships built on a nine or ten hour day basis. And I say that I should be delighted if I could feel that we could afford—either the employer or the employee could afford—an eight-hour day. If they could I should be delighted to see it come.

I believe conscientiously we can not afford it. I believe this proposed eight-hour legislation is introduced by the influence of labor interests, probably with the best intentions, and they believing that it would be a good thing for them to have an eight-hour day. I believe that the great majority of the employers of this country would be delighted to grant an eight-hour day. I have so expressed myself, and I have heard a great many other employers express it, that if it were possible for us to have an eight-hour day and compete in the world's markets, we would like to do it, but it is absolutely impossible, and we could not do it.

I believe if the people who introduced this bill had done more than scratch upon the surface of the question that the people who had it introduced would ask that it should be withdrawn, because if it was passed they would certainly pay a considerable price to establish an eight-hour day now rather than let it be established by evolution; because it will be established by evolution. The price that this country would pay for an eight-hour day would logically have to come out of the workmen. The employer can not pay it. The argument is made—in fact it is a stock argument—that an energetic man, an honest and willing workman, can do as much in eight hours as in nine hours, because in the last three or four hours he gets tired, and the last hour is of little value anyhow.

I have had experience in working twelve hours myself, personally, and I do not believe in a twelve-hour day; but I believe that a nine or a ten hour day would be logical; I believe it is not injurious for a man to work that length of time. As the trick mule says on the stage, when asked how many hours he would work if he had his say, you know he did not paw at all—meaning that he would not work at all. And someone asked Mr. Cowles how much he would work if he had

his way, answer, I would say, that I would make it about three hours, if I had my way; but that thing is not going to be governed by what they or I want; our needs should govern, and it can not be governed by legislation profitably. The workday in this country is going to be governed, and is, I feel pretty sure to-day, largely governed, by the workday in foreign countries and the amount of wages paid in foreign countries.

The manufacturers of this country have been spending millions of dollars to develop the foreign markets. The time has come around in the business of this country when the foreign markets for the next two or three years are going to be of the greatest possible importance. Unless we export goods to foreign countries within the next two or three years, steadily and increasingly, thousands of factories in this country are going to close up. The home demand is lessening. The men who have had for the last three or four years a tremendous boom demand are looking now for orders, and are taking them at a loss. Ten to 20 per cent added to the labor cost of our present output for exportation would kill them, beyond a doubt. I feel, conscientiously, that it would absolutely kill our foreign export trade in all branches that have to compete against foreign manufacturers and workmen.

Mr. Cowles says, and I know that the margin is very close on that export, five or ten per cent is a good profit, and the situation in the labor cost involved is so delicate that a move on the part of the people that meant five or ten per cent increase would stop the export almost entirely. There is not a question about it. It is not a matter of sentiment or guesswork, it is a matter of hard, practical, steel and cast iron, and putting same into a machine, making, finishing, and delivering to the foreign consumer in competition with the foreign manufacturer and workman, and the margin of profit is so small that as soon as anybody moves the price even 1 per cent above the Englishman or other foreign producer, all those foreign people will buy from them. We need that trade, and we have needed it in the past, and in the future we are going to need it desperately, and when I say that, I speak from the employer's standpoint and through the employer I speak for the workman.

The armies of workmen in this country are going to need our export trade desperately in the next two or three years. They are asking for legislation here that, if passed, is certainly going to slaughter it, and I believe if they realized what it means that they would ask not to have such legislation. Superficially and sentimentally it seems nice to ask for short workdays; but 10 to 20 per cent reduction in efficiency of the armies of labor in this country is a tremendous thing. One or 2 per cent would be a tremendous thing in such a delicate matter as the balance of our foreign trade, just balanced on a margin of 2 or 3 or 5 per cent, and a move of the hand can knock it all down again. To be brief, I say that the whole association I represent in New York of employers, and representing millions of dollars invested in plants and employing a large army of workmen, are strenuously opposed to this legislation.

Personally, representing a shipbuilding company that during the past three years and until recently has paid \$15,000 to \$25,000 a week to workmen (to-day we are paying about \$1,500 a week). The difference in that pay roll is directly and absolutely the result of restriction of performance by workmen; short hours, strikes, and causes that



made a difference of about 15 to 20 per cent in our total pay roll of three years has resulted in ruin. Just about the same amount of difference that is proposed in this bill in the matter of labor, about the same percentage of deliberate loafing done for me in the past three years has done our business to ruin, and it has cut the pay roll of \$15,000 to \$25,000 a week down to \$1,500 a week, and we are losing money at that. I do not think there is any question about what the workmen are losing. They are not getting \$15,000 to \$25,000 a week now; most of them are idle. Any legislation, any act upon the part of the legislator for this year or next, which means cutting down the hours in this country, and the restriction of what the men produce either by manual labor or standing alongside of a machine, that will injure the employer approximately 20 per cent upon present business, will injure the workman approximately 60 per cent, as I have figured it out.

Now, on that argument that a man will do as much in eight hours as in nine if he works, I would like to call your attention to the fact that there are millions of machine tools running in this country to-day, the best tools that expert brains can produce, and those tools turn so many times a minute and so many times an hour, and that speed is fixed, and they are doing as much as they can, and we have forced them to the limit. Now, just imagine and try and fix in your minds the idea of 100,000 of those machine tools—they have stopped now, because it is the dinner hour, but they will be going again shortly—going around so many times a day. The output of that number of tools depends on the number of turns they make. There are approximately 100,000 men standing alongside of those same tools.

They are not working laboriously; they are setting up and taking down and measuring, and they are not sweating over it, either, but they are doing their best and doing all that we want them to do, as a rule. Now the question of whether a man will do as much in eight hours as he can do in nine, and make just as much for the employer, or not, depends on whether those tools stop at 4 o'clock or at 5 o'clock. If those 100,000 men stop at 4 o'clock instead of 5 o'clock, that means a difference of 20 per cent of output of the tools. The man has very little to do with that. He can not increase it or stop it. The time regulates it, because the tool turns so many times an hour. Well, suppose that those 100,000 men are getting 30 cents an hour, the difference between stopping at 4 o'clock and 5 o'clock will be about \$30,000 in their earnings.

I will say roughly, full and by, allowing for wear and tear, or depreciation, that those tools will cost about 50 cents per hour to run, or equal \$50,000 per day and approximately \$15,000,000 per year, and the labor will be worth \$9,000,000 per year to the workman. If we could legislate right now that we would stop those tools at 4 o'clock, instead of 5 o'clock, it will make a difference of \$24,000,000 per year in the output of those 100,000 tools. I think the number of tools would be nearer a million than a hundred thousand, but it is an appalling difference even at that number. Millions of money for the employer and millions of money for the workman. I do not know of any other legislation to-day before the Congress of the United States that is of more importance and far-reaching than that simple little bill, introduced enthusiastically, trying to introduce an eight-hour day faster than it will come from evolution, and faster than we can afford it.

Take shipbuilding in England. From twenty years ago down to eight years ago the English employer and shipbuilder fought viciously. The workmen were fighting, as our workmen are doing to-day, for a reduction in the hours of labor and increase in the amount of wages. The workmen were fighting conscientiously in that matter, and thought that they were benefiting themselves, and the employers fought vigorously, and the result has been in the shipbuilding industry that they have driven out, I think, probably 30 per cent of it out of the country; but within the last six or eight years the English workman and the English employer have realized that the fight that they were having was a parrot and monkey time. You will remember that the parrot and the monkey said to each other, after they got through, "We have had a devil of a time." The monkey was short an eye and the parrot was short his topknot, and the other fellow had the banana and was gone.

And as a result of that the English workman to-day is not fighting for shorter hours in English shipyards, and he is not fighting for more wages now; his fight is to keep something to earn a living at, and he is going in with the English employer, and they are both trying to devise a way to build a ship cheaper than anybody else ever did in the world, and I read with a great deal of interest this year's edition of the Glasgow Herald in regard to the shipbuilding industry of the world. They go back five or ten years on what has been, and they deal with what is being done now and what is to be done in the next three or four years, and the digest of the whole matter by the English employer and the English workman together is, "We have got to fight together now against everybody else to try and maintain this industry in England."

Germany is taking up shipbuilding, and Russia is doing her own shipbuilding largely, and Japan is going in to build her own ships, and if the English shipbuilder and the English workman had worked together as enthusiastically fifteen years ago as they are doing to-day, the Japanese and the Russians and the Germans would not have been building many ships to-day; I think the Englishman would be building them yet. Their wages have steadily gone up in the last twenty or thirty years, gone up steadily, and they are not reducing the hours now. This is not the period in our country to reduce hours. I am not a calamity howler, but I believe that we are over our great wave of prosperity for the present, and we will settle back to normal conditions, and when we do we will have to fight like Trojans for foreign markets, and any legislation that tends to shorten the hours of labor in this country will be putting shackles on the hands of the employer and the workman in this country to prevent them from securing to this country the eight or nine hundred millions of balance of trade that we have been having.

For that reason I oppose this legislation, not through any prejudice or feeling against the workmen, but through no other reason except one of pure fairmindedness, looking at the thing from the standpoint of the employer and the workmen. I know it would be injurious to both of them, and I believe, as I say, that an eight-hour day is coming; but to hurry it arbitrarily is going to be tremendously unprofitable. It may be said that within four or five years we would recover from it. We would, but the price paid would be terrific, and I think we can better afford to contribute an hour a day than to pay such a price.

The American employer now, I think, contributes four or five hours a day to business more than any other employer in the world, and he does it willingly and so is winning the race, and I do not think it is any mistake on the part of the men to say, "We will contribute an hour a day." They get higher wages than workmen anywhere else in the world, live more extravagantly than workmen anywhere else in the world, and we want them to live better. But we must take into consideration that the manufacturing capacity of this country is developing at a tremendous pace, a pace far in excess of our consumption. We want to develop, and we do not want anything to throttle us, and my ambition is, and the country's ambition should be, to command the markets of the world.

Mr. HUGHES. As I understand it, the theory of the protective tariff, speaking of you as a representative of the manufacturers, is to prevent you from being subjected to the competition of the foreign manufacturer. Now, do you think it is fair, you occupying that supposedly favored position, to have the men asked to compete with the terms and conditions of the foreign laborer?

Mr. DOWNEY. I think you are taking a wrong view of it. When I am speaking of our foreign trade, and the retaining of it, I am speaking of what we want to sell to Australia, for instance, in competition with the manufacturer in England. It is not what we manufacture and consume ourselves. When you go into the South American and Chinese markets you find yourself up against the gentleman of Glasgow, wanting to sell hoisting engines and the thousand and one other things that we manufacture. The American employer and workmen stand here, the English employer and workmen stand there, and the buyer stands over there. Now, in that situation, our tariff does not do me any good at all.

Mr. HUGHES. You go into that market—

Mr. DOWNEY (continuing). Absolutely none. Now, there is about \$800,000,000 a year involved—that is approximately the balance—and that \$800,000,000 of balance of foreign trade is in sewing machines and wire fencing and all other articles. I want to tell you how much it means to the laborer if we should lose that balance. In that \$800,000,000 there is practically 80 per cent of it, \$640,000,000 of it, that is paid to labor; from the time that the coal miner and the iron miner begin their operations in this country, digging the coal and the iron that these things are largely made of, about \$640,000,000 of labor is involved.

Mr. HUGHES. I appreciate that.

Mr. DOWNEY. If we lose that balance it means \$640,000,000 of wages lost to the mechanics of this country, and the employer's loss is the possible profit in the transaction.

Mr. HUGHES. But in its last analysis you want the workman of this country to stand ready to compete with the workman of Germany, or France, or England on this foreign work; you must do it.

Mr. DOWNEY. They should want to compete themselves. Now, I take the place of the manufacturer in that \$800,000,000 proposition, just figuratively, you know. Whether we lose \$800,000,000 a year to the country, broadly taken, means this, that if we lose it, I, the employer, would lose approximately \$160,000,000.

Mr. HUGHES. The men would lose 80 per cent?

Mr. DOWNEY. Yes, sir; and the manufacturers of the country would

lose \$160,000,000, and the workmen that produced it, through their efforts from the time they mine the coal until the time they put the last polishing touch on the machinery and it goes to the ship for transportation, those workmen lose the other 80 per cent.

Now, the question is not simply whether the employer wants to compete with the foreigner. It is for the mechanic to decide whether he wants to do that. The employer can do without the \$160,000,000 that should come to him as well as the laborer can do without his \$640,000,000 of wages involved.

Mr. HUGHES. Of course, those are large figures.

Mr. DOWNEY. Please do not connect me personally in those figures. I speak from the standpoint of American manufacturers. When a man says that he does not want the mechanics of America to get that \$640,000,000 he puts himself in a bad attitude, and if he has to work a number of hours that is disproportionate to that amount of money, then we come back to the original proposition.

Mr. HUGHES. You think that the workingman, in order to get that \$640,000,000, should be ready to come out and do the same amount of labor for it that the French, the English, and the German workman does.

Mr. DOWNEY. He has got to do it if he wants to get that money.

Mr. HUGHES. You think that in order to compete in the foreign markets our workmen have got to compete with the laborers in those foreign countries?

Mr. HEARST. And our hours must be regulated by those of the foreigners?

Mr. DOWNEY. I do; I am not going to let go of that question of what benefit our business receives from tariff until we clear it up. Now, we are not benefited at all by protection. Ships are a thing that protection does not cover at all. If the Japanese want a war ship to replace one that has been destroyed—

Mr. HUGHES. Would it help you any to have the tariff on steel reduced?

Mr. DOWNEY. Not a bit; where a foreign ship is involved.

Mr. HUGHES. Would it help you—

Mr. DOWNEY. Do not misconstrue me as regards labor. I have absolutely no wish that any workman working in the United States to-day shall work for any less than he is working for, nor to work any longer hours than he is working to-day. If, by working the hours that he works to-day and getting the pay that he gets to-day, we, the employers, can maintain the place for him to work in, if we can maintain it and get the return on our capital to which we are entitled as much as he is entitled to his day's pay, if that condition can exist, I think that the American employers should say to the workmen, and they should say mutually, "If we can have 20 per cent more wages and decrease the day's work 25 per cent, and if in time he can afford to pay for the goods—he is the consumer here—and then we can maintain the system, well and good;" but if by increasing the wages and cutting the hours down, the result is that we lose the foreign trade, and not only that, but increase the price of goods which they must buy for their own home consumption, I should say that we are simply cutting our noses off and imagining that we are getting something to justify the act.

Mr. HEARST. What percentage of your business is foreign trade?

Mr. DOWNEY. We built a yacht for the Emperor of Germany two years ago, and that was the only foreign ship that we ever built; but I suppose that 90 per cent of our repair business, which is a large one, is work that we do on foreign ships, and the reason that 90 per cent of our repair work is on foreign ships is because we have very few American ships to repair.

Mr. HEARST. What per cent is foreign trade?

Mr. DOWNEY. I say outside of that contract with the Emperor of Germany for the royal yacht we have only our repair business. About 30 per cent of our total output is repair business, and 90 per cent of that repair business is foreign.

Mr. HEARST. Then 25 per cent of the work done in your shipyard is for the foreign trade?

Mr. DOWNEY. Approximately; yes, sir.

Mr. HEARST. And that has got to regulate the 75 per cent of other trade in regard to the wages and hours which the workmen work?

Mr. DOWNEY. Not necessarily.

Mr. HEARST. Not only for the foreign trade—

Mr. DOWNEY. If this eight-hour legislation were to make the eight-hour day general in the United States I would simply tell you flatly, "Make it if you like; you pay the price." The workmen are going to pay it now, if we make a general eight-hour day, and if the people of the United States can afford it, as against the world, I would make it; I am willing to bear my part. When you go to work and discriminate on the hours of labor on Government work, as against merchant work, you simply create a condition of chaos and disruption of the situation that will demoralize the whole working force of the country, so far as Government work enters in at all. And the ramifications of the Government work are wonderful.

While Mr. Cramp is building a battle ship, and it is said she is building at Newport News or at Chester, there is a man out on a farm or in a mine in the West who is preparing a lot of material for that battle ship. You never hear of him, but he is working away off there, and his efforts and results go into that battle ship; and the minute that you disrupt the factory that can do some Government work and some merchant work you destroy all their system. And I will tell you that so far as the shipbuilding industry of this country is concerned, they are absolutely staggering now; that the merchant work and Government work, both together, are not paying fixed charges in that industry to-day. A great many shipyards are in ruins, and a great many more are struggling to keep their heads above water.

Mr. HUGHES. Why is that?

Mr. DOWNEY. It is very largely because the American merchant can not invest his dollars in a vessel after he pays the American wages to the men working at American hours, and take the vessel and go in competition in the world with the foreigner. He absolutely can not do it. These are hard-pan facts. The building of a vessel costs from 30 to 40 per cent more in this country. I am talking about the merchant ship, and the ships that we are sailing to-day. I own some stock in an English ship, and I received a dividend out of that English ship that earned the money in carrying American goods, but I have not earned anything out of any American ship for a long time.

The American ship costs from 30 to 40 per cent more to build and 30 to 40 per cent more to operate, and it is a stubborn, hardpan fact

that the American investor can not afford that sort of a proposition, and that is the reason we are in the throes of bankruptcy, and the shipyards that are not in trouble are struggling to-day to keep their heads above water, and unless something happens to cure that situation I prophesy now that the shipbuilding industry in this country within ten years, outside of Government work, will be a disgrace to the name of shipbuilding.

Mr. HEARST. You say they are building ships cheaper there to-day than we can build them?

Mr. DOWNEY. Yes, sir. They have been building steel ships in England for about sixty years, and it has been a sort of evolution with them. The difference between shipbuilding in England and in this country to-day is that they have, through their methods and the finances of the country backing up shipping propositions and the employer and the workman working and developing ships, they have standardized their shipping over there down to certain types. They build a certain type to run across the Atlantic Ocean in five and a half days, and another type to carry our goods to certain ports, and they have standardized them to such an extent, through years and years of study and practice and development, that you can give an order to-morrow for a tramp ship to carry 5,000 tons and they will turn her out completed in five months, and it will only cost you \$160,000. That is cheaper than ever before, and I know that they are not making any money on those ships, they are only keeping running; but the shipping conditions are bad in the world and they are trying merely to keep going.

Mr. HUGHES. Would you answer this question—I hardly think it is a fair one—

Mr. DOWNEY. I will try. If I can appreciate it I will try to answer it.

Mr. HUGHES (continuing). There is a statement as to the cost of battle ships.

Mr. DOWNEY. Yes, sir.

Mr. HUGHES. Have you any idea as to the American cost of a battle ship per ton?

Mr. DOWNEY. Yes, I have, approximately. I have never built a battle ship.

Mr. HUGHES. Just approximately, that is what I wanted to get at.

Mr. DOWNEY. I should say that the approximate price of a battle ship is about \$200 per gross ton of displacement. It might vary 30 per cent.

Mr. HUGHES. I will read to you from the bulletin of the Bureau of Commerce and Labor for January, 1904. On page 27 it is said:

Let me make a comparison between five vessels of war built before the introduction of the eight-hour day and five constructed since.

Mr. DOWNEY. The introduction of an eight-hour day where?

Mr. HUGHES. In England. This is a quotation from an article written by Mr. Hills, of the Thames Iron Works Shipbuilding and Engineering Company. He says:

Let me make a comparison between five vessels of war built before the introduction of the eight-hour day and five constructed since. The mean average of labor (all trades) in the case of H. M. S. *Benbow*, *Sans Pareil*, *Grafton*, and *Theseus* was £28.66 (\$139.47) per ton; the mean average cost of labor (all trades) in the case of I. J. B. *Fuji* and *Shikishima* and H. M. S. *Albatross*, *Duncan*, and *Cornwallis* was £26.85 (\$130.66) per ton, or a reduction of cost of £1.81 (\$8.81) per ton.

Mr. DOWNEY. After the introduction of the eight-hour day?

Mr. HUGHES. Yes sir.

Mr. DOWNEY. Now, I want to say most emphatically, do not deceive yourself by deeming that the eight-hour day is an eight-hour wage proposition in England. While I have not the records, I feel perfectly safe in saying that there is no eight-hour day prevailing in England to-day in a shipyard where the majority of the work is done on the piece-work basis. Piece workers, men who drive rivets by the hundred and calk seams by the hundred feet, and do all sorts of things by the piece, they work approximately once and a half as hard as a man who works on a day's work basis, and that logically has brought about a shortening of the day for the piece workers, which is perfectly right.

If I contract with a workman to drive any number of rivets at a specific price per hundred, of course the more rivets he would drive in one day the better I would like it; but if he drives enough rivets so that I can remain in the business and make a profit I would as lief that he drove a hundred rivets in one hour as in two hours. The quicker he drives them, the quicker my tools are finished with, the less wear and tear there is on them, and the sooner they are through with that work, and ready for more, the better I like it. The whole of that proposition is twisted there so that it will deceive you, unless you go down into it and see what it means. It absolutely does not mean that an eight-hour day wage, where an eight-hour day's work basis is the custom in the works.

Mr. HUGHES. This seems to indicate that they are referring to a day's work system.

Mr. DOWNEY. I will tell you right now that I know absolutely, and there are other shipbuilders who can confirm what I say, that 80 per cent of the labor on those ships is done by piecework—that is, contract work, by the workmen. If a workman does about an average day's work, he is satisfied, earning so many cents per rivet, and if he earns it in five hours, it does not make any difference to the contractor; in fact, the quicker a workman earns it the better the contractor is off; and I feel safe in saying that 80 per cent of the work on those ships is done in that way. And through the way they do that work in England, and the expertness of the pieceworkers, they certainly do beat the world to-day, both in speed and cost.

Of course, speed means cheapness, while keeping a contract in the shipyard every day means a great additional cost, and they turn out one of these steamers in from four to five months. In this country they usually write their contracts to finish in eight to twelve months, and then they would be fifteen months in building the ship. As you all know, on the Government ships they are years building on some of them, and it is because we have not got that industry down to the fine point that they have it in England. I hope some day to see it brought down to a system where we can produce a ship as rapidly as they do in England, and as cheaply in proportion as our cost of labor is to theirs and as our cost of material is to theirs. Our costs on both those scores now are very much more than theirs in proportion, and delay is on account of our lack of having it systematized.

I believe some months ago they launched a battle ship in England eleven months from the day the keel was laid. It was only eleven months from the day the keel was laid until the battle ship was launched, and it was one of the largest battle ships in the world.

I do not need to tell you, gentlemen, how long it takes to build a battle ship in this country. It is not because we are not willing and do

not try; it is simply because we have not developed the appliances and the expertness and the system that they have over there, and there is not such a great difference in our battle ship as to account for it. Our battle ship is not three years superior to the English battle ship. It takes from three to four years to build one here, and we could get one in England in twelve months.

Mr. DU BRUL. Is there anything that prevents an American shipyard from adopting that same system of piecework?

Mr. DOWNEY. I have tried. I have spent sixteen hours a day trying to persuade 1,500 workmen to produce those results. I have bought \$90,000 worth of tools in Scotland and brought them over here and installed them in New York City, and I brought the material from over there, took the same sort of steel that they use in England, and put the steel and the tools together, and I said to my men, "Now, men, is it possible that we here can not put through as many pounds of steel per hour or per day of that same steel, and with the same tools, as they can in Scotland?" I tried to get them to do it, I begged them to do it, and tried to drive them to do it, and did everything a white man could do to get up to what they are doing in Scotland, and we never got within 60 per cent of it.

Mr. O'CONNELL. Do you mean to say that the skilled workman produces over their 60 per cent more than the skilled American workman can produce?

Mr. DOWNEY. I mean to tell you that right under my own eyes that experiment was tried. I did not take my foreman's records, but I did it personally. I got the records as to what they did in Scotland, and what they produced in Scotland with the same sort of tools and material, on the same sort of plate work and with the same tools that I had. I had what their day's work was in black and white. I had their record for three months in black and white, and I was there for three months, sometimes days and sometimes nights, and I took our own records, and the absolute fact is that we could never come within 60 per cent of what they did. Now, you can theorize and hope, but I spent \$500,000 to learn that. We lost \$500,000 trying to do what they do in Scotland, and I contributed to you people \$25,000 a week for three years trying to establish a business where you might get 90 per cent of it and I could get 10 per cent.

Mr. O'CONNELL. You say from your observation the skilled workman produces 60 per cent more on the same material in Scotland than he could produce here?

Mr. DOWNEY. Yes, sir; with the same tools.

Mr. O'CONNELL. That is not the question. Is it your belief that the foreign workman on the same shipbuilding and with the same machinery can produce more than the American shipbuilder?

Mr. DOWNEY. He does produce it; I know it absolutely, beyond all possibility of doubt. I paid for that knowledge in money, in gray hair, and in broken hopes.

Mr. O'CONNELL. Cut out the gray hair; I don't see it.

Mr. DOWNEY. If you doubt it—

Mr. O'CONNELL. I do doubt it.

Mr. DOWNEY. Come and look at our books.

Mr. O'CONNELL. Do you believe that that same rule prevails in other industries outside of the ship industry?

Mr. DOWNEY. I have a general knowledge of other industries.



Mr. O'CONNELL. That would seem natural, would it not?

Mr. DOWNEY. I am speaking of the industry that I represent, that ought to be flourishing in this country to-day. This country ought to be proud to have such an industry. The industry to-day is in a most deplorable condition, simply because you and I have never joined up and taken the same tools and the same materials to produce the same results that they produce in Scotland. I am not dealing with this question on the surface; I have gone to the bottom of it. I am dealing with it as much from your own standpoint as from mine, because without you I could never build a ship, and when I do not build her, or some other employer does not build her, you will never raise a hand on her; and yet you make a fight, and are making efforts to produce such legislation as this eight-hour bill proposes.

Mr. O'CONNELL. You may know it, but I doubt it.

Mr. DOWNEY. I do know it, absolutely. I have the experience, and I have paid the price for it.

Mr. O'CONNELL. You probably would not credit me with knowing much?

Mr. DOWNEY. Oh, well—

Mr. O'CONNELL. You say that the hours of labor have been decreasing and that the wages have been increasing, but that they have stopped fighting about that in Great Britain because the hours and wages are not comparable to those in this country. Do you know that the hours of labor on the Tyne are lower than the hours of labor at the Cramp shipbuilding yards?

Mr. DOWNEY. Yes; but Tyne men are working at prices 30 per cent lower than at Newport News, and a man is getting 30 per cent lower on piecework in Scotland than he is at Newport News, but he can turn out nearly double what the man turns out at Newport News.

We may make some things, such as sewing machines, and beat the foreigner on the same machine with the same material for the same dollar, but I want to tell you that in the shipbuilding business under conditions which prevail now in this country and which will prevail if this legislation goes through, the shipbuilding business in this country will be absolutely in the gutter except in so far as you, the people, are willing to pay exorbitant prices for Government vessels. Our merchant shipbuilding in this country can absolutely not grow under the present system of high wages and short hours and all of the other restrictions that we have got. I believe that things can be done to recover the shipbuilding and ship operating of the United States as it ought to be, but we can never do it with this sort of legislation, if we have no support, no Government contribution, such as there would be under a subsidy bill, discriminating duties, and the other methods talked of to support shipbuilding and owning.

I hope that some such measures will be adopted if we can not succeed in any other way; but if you and I, the workman and employer, can invent any other way to produce and operate a ship to compete with the foreigner, then I say I want no favors and no subsidies. But otherwise we will never do it. It is logically impossible. We can not do it.

Now this bill here simply makes an issue between you and me—the workman and the employer.

Mr. HUGHES. Part of this bill, the foreign-competition feature, is eliminated then. According to the prevailing conditions we are 50

or 60 per cent behind them in production and 20 or 30 per cent behind them in wages; and further reducing the number of hours, we are hopelessly behind.

Mr. DOWNEY. I never have any hope of a foreign order, except in an extraordinary case.

Mr. HUGHES. Then we might as well confine ourselves to other business.

Mr. DOWNEY. I want to say, that is, under the present existing conditions of wages and hours.

Mr. HUGHES. This bill is not in existence now.

Mr. DOWNEY. No, sir.

Mr. HUGHES. And the only way that we could attempt to get control of the foreign markets would be to increase the hours of labor and reduce the wages, and increase the production of the men?

Mr. DOWNEY. Yes, sir.

Mr. HEARST. And more than 60 per cent, too?

Mr. DOWNEY. Logically—the improvement must aggregate that.

Mr. HEARST. Of course.

Mr. DOWNEY. No, Mr. Hearst. Our want of practice in building standardized ships accounts largely for that difference as well as the difference in wages. I say if these gentlemen representing the working staff, and these gentlemen representing the employers in the shipbuilding industry had some aid intended for the benefit of the country and us both to compensate for the difference in cost of operation, and possibly for the difference in cost in the short number of hours for the difference of time, that aid would result in the production of ships of standardized types, that after we, the workmen and employer, built the first 6,000-ton typical cargo-carrying boat, the first one might cost us \$400,000; the next one, through the series of patterns and practice we would have, we might build for 10 per cent cheaper, we would build her 10 per cent cheaper; and on the next one we would cut it down more, and build the next one and the next one still cheaper, still at the same wages and the same working hours. This comes from a cause that you will appreciate and anybody can appreciate.

You do a thing once and it is done in a certain way, and the next time you do it it is done better, and every time you do it you become more expert and more expert, until finally it is done with wonderful expedition and perfection; so that in England, to build a tramp ship, they can do it for less than they can anywhere else in the world. A man says, "I want a ship to carry 5,000 tons," and the manager of the company goes up and says to the superintendent, "Pass me out a 5,000 plan," and the purchaser looks it over, and the manager takes it and throws it out, and he says, "Build another of those." And when the word spreads through the yard the very rivet boy knows what that means, and when a thousand men know the method involved in building a ship or any other structure, you must realize what a tremendous difference it makes. Now, what we want is something that will give us an opportunity to do that thing once and twice and three times and four times, until we have developed a system, and then I say, barring the difference in wages and time, that we will build a ship with anybody in the world, and I think we will beat them out a little on the time and the wages.

Mr. HUGHES. What would you suggest on that?

Mr. DOWNEY. I would not like to make any suggestion. I am going before another committee on that bill in about an hour. I have taken too much of your time, gentlemen. I ask you to give this bill your closest and most conscientious consideration, free from any prejudice in favor of the employer or the workman. This measure the country at large is going to pay for, if it is passed. I can contribute my small proportion, and the great armies of the people in the working ranks and those outside of the working ranks will contribute their part.

I ask you to consider it from that standpoint, free of all sentiment. I appreciate sentiment and I appreciate prejudice, and if I could conscientiously believe that that bill was beneficial to either of these parties represented here I would work for it emphatically and conscientiously. I say that it is absolutely a mistake at this time to attempt any such measure, and I say so emphatically, and I regret that I can not put the argument in better shape and prove to you more positively the things that I say. Even with my hard experience in the shipbuilding business I have absolutely no hard feelings toward the workmen that contributed to the result.

Mr. HEARST. It may not be his fault, the hard experience. Now, the ship-building industry can not be peculiar. I know something about some other businesses. The newspaper has gone down in price from 3 cents to 1 cent, and during the period of that decline in price there has been a large increase in the amount of wages paid and a decrease in the hours of labor, while the profits made on newspapers are larger than ever before.

Mr. DOWNEY. I am delighted to hear it.

Mr. HEARST. I would be a poor business man if I had to take my profits—

Mr. DOWNEY. Now, what time was the newspaper worth 3 cents, and when did the price become 1 cent?

Mr. HEARST. About fifteen years ago when the papers were worth 3 cents.

Mr. DOWNEY. The happiest thing that ever occurred for the readers of newspapers in this country was the day when gentlemen entered into the business who realized that they could afford to throw out the old printing presses and buy, at whatever price, up-to-date newspaper producing machinery, and I would say—I do not know a thing technically about producing a newspaper, but as a matter of judgment I would say—to-day that if a newspaper is worth 1 cent as against 3 cents fifteen years ago that for that result I want to take my hat off to the gentleman who invented the machine, and my hat off to the machine and to the gentlemen that had the good sense to buy and install it, and not to the man who stands alongside of it and feeds white paper into it. Mr. Hearst, I do not know a thing technically about newspaper producing. I want to say that if the newspapers are worth to-day 1 cent as against 3 cents fifteen years ago, which I am delighted to hear, I believe that to be the result of improved machinery, of increased demand for newspapers, of brain that realizes the demand and stays up night and day to supply it.

Mr. HEARST. Is there any reason why those brains should not be put in operation for the benefit of the shipbuilding trust?

Mr. DOWNEY. Do not speak of the shipyard trust. I never was connected with it.

Mr. HEARST. Do you know what it is?

Mr. DOWNEY. I do; and there are several shipyards that never were connected with the trust at all that are in the hands of receivers. It is pretty hard to keep them out.

Now, to account for cheap newspapers. The demand originated for newspapers. I would have the people to want ships as they want newspapers. Whenever people do want ships, and can afford to buy them and pay for them, I say we will develop a shipbuilding industry as the newspaper business has been developed. That is what I was trying to tell you a while ago—that through producing the ships again and again and again we will develop machinery and gather experience; and large quantities make the units cheaper, you know. That is the reason that your newspaper is cheap. But we can probably never accomplish the ratio of three to one in the price of building ships. But I do tell you that I believe in good faith if the industry goes on at all in the United States we will decrease the cost from two to one, and when you come to all involved in a ship, that is a gigantic difference. I appreciate those questions.

They are the kind of questions that ought to be asked, and the kind of questions that those gentlemen over there and I ought to be discussing. This is a gigantic proposition. The great reason of the differences between those gentlemen, labor representatives, and I—I speak of myself simply as representing employers—is because those questions are not asked and true conditions are not developed. The legislature is the third corner of this proposition. I am not disparaging any legislator when I say that the legislator can not know as much about that proposition, taking for granted that he is not a specialist in some line, he can not know as much regarding the technicalities of my business as I do; and I do not know as much about legislation as you do. Consequently, this proposition of shipbuilding, which to develop we have turned our heads gray and spent our money for—I am speaking for the interest of the army of working people as well as myself—we, the employer, have spent sixteen or eighteen hours a day for years over this, and these gentlemen over there, representing the working people, may think they know about it in an official way, but they do not know the horrors of the office records of the shipbuilding business. If they did they would come to us and say, "How can we cure it?" It means millions of dollars to us and to them.

Mr. HEARST. But it is possible to reduce the cost of the product to one-third what it is, and to give shorter hours for labor and increase wages and still make a profit in some businesses.

Mr. DOWNEY. I say that I take my hat off to the man that invented the machine and to the machine itself, and the man who had the sense to buy it. Then I say you know better than I what percentage the machine does of the producing and what percentage the workman does.

I would say that the percentage done by manual labor is very small compared with the percentage done by machine in the manufacture of paper. You buy your rolls and bring them to the door of the printing room. I am told that the price of paper has gone down tremendously.

Mr. O'CONNELL. The hours of labor have been reduced in the manufacture of paper.

Mr. DOWNEY. The answer to Mr. Hearst's question covers that subject. His question is how are these commodities becoming cheaper in the face of shorter hours and higher wages?

Mr. HEARST. You say that it is impossible for that to happen?

Mr. DOWNEY. No, sir; it is not impossible.

Mr. HEARST. Then why is it not possible in your business?

Mr. DOWNEY. The whole secret of the cheap manufacture of paper is the tremendous demand for it, and the tremendous quantities of it that you use, and the quantities of newspapers that you print together. If you are printing 800,000 papers a day, logically you can print those papers for one-tenth of what you could if you only printed 10,000 or 15,000 a day. I know and you know that it is the machine and the quantity printed together that makes cheapness, and if the country will afford the shipbuilding industry an opportunity to stagger along for ten or fifteen years until we have a chance to standardize our work and produce it in quantities, you can trust to the American mechanic and inventor to produce methods and machinery that is superior to anything in the world, and then you can leave it to them.

But we cannot stagger onto our feet under prevailing conditions. Capital has not been bashful or cowardly in the shipbuilding industry. In the last few years capital has been poured, millions upon millions, into the shipyards. Men have put their money into those shipyards in good faith, and to-day they are standing aghast and discouraged at the result. They, the investors, are standing on one side of the wreck looking at it, and these work people are standing on the other side, and they look at it from that side, and they are perfectly aghast at the conditions. The workman has nothing to do, yet he clamors for a shorter work day.

Mr. HUGHES. What was the object when that capital was put in? Was it supposed that you would compete with the world, or —

Mr. DOWNEY. During the Spanish-American war there was an enthusiasm in rebuilding transports, repairing ships, and pushing everything along to produce some sort of improvised navy, and it awoke an enthusiasm in the shipbuilding proposition. Then the subsidy was talked of, and a great many people hoped that some Government aid was going to be given to ships, and they said some Government was going to be given to ships, and they said: "It is going to take a year or two to prepare these yards, and, if this legislation is going through, ships must be provided. Oil is discovered in Mexico, and they want ships to carry bulk oil up here"—great fleets we thought they would need. "We will build these, and we will build Government vessels, and then, if anything else comes along that will develop something for the foreign trade," and in that hope dozens of men put their money into the shipbuilding industry. Now, this is without any reference to the shipbuilding trust you read of. Those yards are established, and a great many of them were wrecks before the shipbuilding trust was thought of. So that we do not attribute these disasters to the formation of the trust.

Mr. HERBERT. I want to ask you about the newspapers.

Mr. DOWNEY. Do not consider me an expert on newspapers, except in reading them.

Mr. HERBERT. Is it not the advertising, the profit from advertising, that enables the great papers to reduce their prices to one cent?

Mr. DOWNEY. You will have to ask Mr. Hearst that question.

Mr. HERBERT. And has not that increased profit from advertising come from increased transportation facilities and largely increased circulation of newspapers?

Mr. DOWNEY. I think your question is going into a field that is entirely foreign to this bill. I am not trying to avoid that question.

Mr. HERBERT. Would not that account for all the decrease in price that you have been asked about?

Mr. DOWNEY. I would say, broadly, that the reading and the advertising in this country are both increasing at a tremendous pace, as they should. People read newspapers as a habit now who fifteen years ago would buy them as a luxury. I remember the time when people used to take Sunday newspapers as a specialty or an extravagance. Now they take three or four Sunday newspapers and two or three on week days. That is a grand habit. Nothing more interesting or more developing than to keep in touch with the whole world through the newspapers. When people make up their minds that on Sundays they want to read three or four newspapers in a day, it does not need any argument as to what has increased the circulation and decreased cost. If you want anything in this country that it is possible for human hands to produce, create a demand for it and it will come.

Mr. HERBERT. If the newspapers get enough from the advertising will it not—

Mr. DOWNEY. I prefer not to deal with the ethics of it. I know that the profit is tremendous. They might give the newspapers away for nothing for all I know. I would not be surprised if that was possible.

Mr. HEARST. This gentleman suggests that the cost of the manufacture of the white paper has decreased.

Mr. DOWNEY. Yes.

Mr. HEARST. That is true.

Mr. DOWNEY. Yes.

Mr. HEARST. And there has been a decrease in the hours of labor, and an increase in the pay of the laborers, and nevertheless the cost of the product has been decreased, and that has nothing whatever to do with advertising.

Mr. DOWNEY. Yes, sir. Now, take the blank white paper. I must apologize for any ignorant statements that I make on that subject, but I believe the immense quantity required accounts for the cheap price.

Mr. HEARST. Is it possible to conduct a business in which the hours of labor are reduced and the wages are increased, and the price of the product reduced, and still make a profit.

Mr. DOWNEY. I will admit frankly, and I am glad to admit to you, that it is possible to conduct such a business in this country—

Mr. HEARST. And evidently more than one?

Mr. DOWNEY (continuing). I say a business, and perhaps one or two or three, or several, that this bill would not materially injure. But what I want to say most emphatically is, and I believe most conscientiously, from a most unprejudiced consideration of the matter, that to the business of the country broadcast one hour more or less of performance by the armies of mechanics of this country will make a gigantic difference in the export business of the world that we want and must compete for in the future.

Mr. HUGHES. It is impossible, practically, under the statement of facts submitted by you, for us to get any part of that world's business.

Mr. DOWNEY. O no, do not deceive yourselves. Out of a business—a business that has grown through protection or through some other special reasons has been developed in this country to such a fine

point that we can manufacture and sell to a foreigner in competition with a foreigner, grow our export trade; and the few things that we can sell now and make a profit on, are the result of special conditions that have been developed here by demand first, and through that demand, and in special cases, and it is not impossible to keep that up if we maintain the statu quo; and it is not impossible to develop that still further if we follow such methods in labor, wages, and manufacturing as will develop my business to a point where I have the system, and I have the experience, and so forth, which will enable me to possibly go into a foreign market with my goods. It is a far cry, I assure you, between the American shipbuilder and a foreign buyer. It is a far cry, but it is not impossible.

Mr. HUGHES. That is a first-class ship subsidy argument.

Mr. DOWNEY. I am talking on this subject not for any impression. I simply say that without some artificial aid we can not get a fair start. And I tell you frankly, if I thought that it was possible to do it by working ten years and maintaining a shipyard for ten years and quitting even and paying fixed charges and depreciation at the end of that time, and if I thought it would be possible at the end of that time to compete with the English shipbuilder, I would say "I do not want your subsidy." We would develop in a healthy way without it. But the difference in cost of labor and material is so great, and arises from such a number of causes, that I believe in five generations we can not catch up the pace.

What we want is some aid for a period of time, so that the ship-building business can be developed like the newspaper business, so that we will catch up to the place where we can compete.

Mr. HEARST. The manufacture of white paper is a much better illustration, because the white paper manufacturers not only sell it here but in London?

Mr. DOWNEY. Yes, sir, and I am delighted that they do. They have no trouble in meeting the competition.

Mr. O'CONNELL. And they operate eight hours.

Mr. HEARST. Yes.

Mr. DOWNEY. Can somebody tell us what developed the paper manufacture in this country; what put the paper factory on foot in this country?

Mr. HERBERT. How about wood pulp?

Mr. McCAMMON. A protective tariff?

Mr. BURLEY. Everything that goes into the ship is protected except the builder.

Mr. DOWNEY. I will tell you, if you wish to order a ship to-day, an American built ship to engage in the foreign trade—and you would be obliged to engage in the foreign trade for nine months in each year—in that event the tariff law would allow me to import steel from a foreign country free of duty for your ship.

Mr. McCAMMON. But it would not allow you to buy the imported steel in this country. You could not buy it from a merchant in New York, under the rulings of the Treasury Department.

Mr. DOWNEY. No, sir; suppose that steel was selling for 2 cents a pound here and 1 cent a pound in England.

When I paid that cent I would be coming pretty nearly up to the 2 cents by paying truckage, and freight, and insurance to this country, and discharging handling charges, and so forth; and then

that shipbuilding material is subject to injury in handling. These frames and plates are subject to be bent, and it is very expensive work rerolling them afterwards. I imported some steel from Scotland last year. I did not expect to get it any cheaper than I did in this country, but I did it simply because I could not get it in this country at all; and after I paid for the steel over there and paid the freight over here, and the duty and the insurance on it, it cost me about 30 per cent higher than steel bought in this country.

But another great drawback was the bad condition in which the steel was after handling it into the ship's hold and out again, so that that little bit of tariff discrimination in favor of the shipbuilder and shipowner, of allowing material to come in free if for use in a vessel for the foreign, is really an imaginary benefit, and I do not think there have been three cases in three years where it has been taken advantage of, or where it could have been taken advantage of. And outside of that, Mr. Committeeman, there is absolutely no protection to the shipowner or shipbuilder or the ship repairer of the United States.

Mr. HUGHES. I am surprised to hear that.

Mr. DOWNEY. I believe that there is a lack of knowledge on this subject here, or I think there would be more interest in it, because the yards that exist on the two coasts of this country, the yards that are already established, ought to be employing 150,000 men. This is no joke. I doubt whether there are 50,000 men working to-day in American shipyards. I doubt it. I am just giving those figures roughly, but I think that that is approximate.

Mr. HUGHES. Do you not think this is a question, this state of affairs that you have put before us so ably, that should be considered from the standpoint of subsidy or no subsidy rather than from the standpoint of decreasing wages and increasing hours of labor? I have not the slightest doubt but what, when you appear before the subsidy committee, you will point out to them that you are threatened with an eight-hour bill, and that you will ask for a subsidy on that ground.

Mr. DOWNEY. Well, by the way, if I do make that argument I will be perfectly justified in making it.

Mr. McCAMMON. Yes, it is a good argument.

Mr. DOWNEY. I say not necessarily by subsidy, but there are other ways, and the legislators of the country should not be pinning their minds down to subsidy or nothing. There are other ways than subsidy, and I think there are better ways than a barefaced subsidy.

Mr. McCAMMON. I would like to interrupt you a moment, with the consent of the committee, to ask you a question, and that is, if you favor a discriminating duty? And if you do, would not the same argument hold good that a discriminating duty would not hold good if this eight-hour law should prevail?

Mr. DOWNEY. I would not like to put it that way. It rather savors of opposition to this bill.

Mr. McCAMMON. If you favor subsidy, you might claim that the eight-hour bill was jeopardizing the shipbuilding industry, and you would need more subsidy.

Mr. DOWNEY. Without reference to the existing hours of labor and wages, so far as they are related to Government support of shipping, support would have to be added to to the extent that this legislation might amount to. It would contribute to the cost just that much.



Mr. McCAMMON. Just one more question. If the principle contended for by those who favor this bill, who assert that it is a just one and a proper economic solution of existing labor conditions, is the true one, why should not that be applied to all articles manufactured for the Government, rather than to a few, as it is proposed by the provisions of this bill to apply it? It was asserted by a very prominent Senator a few days ago, in his committee room, that this very bill really only applies directly to 3 per. cent of the articles that are manufactured for and contracted for by the Government. Now, if the argument is a good one, why should it not be applied to 50 or 100 per cent of those articles?

Mr. DOWNEY. Following out what I said a while ago, if at this time, or in the future, the manufacturers and workmen of this country can afford an eight-hour day, let's have it. I say if we can afford it. Then I say if we can follow out that principle and afford a six-hour day, let us make it. I simply argue against this bill on the basis that we can not afford it yet.

Mr. HUGHES. Judge McCammon simply thinks that the provisions of the bill should be eliminated, and there is no particular reason why the proviso should not be extended——

Mr. McCAMMON. Take that for an argument.

Mr. HUGHES (continuing). There is no particular reason why certain things should come within the wording of the law and others should not do so.

Mr. DOWNEY. The bill that contemplates the cutting of a workday down to eight hours is vicious and legislating that a man can not work beyond that time is simply idiotic.

Mr. HUGHES. The Hitt bill says:

Nothing in this act shall apply to contracts for transportation by land or water, or for the transmission of intelligence, or for such materials or articles as may usually be bought in open market, whether made to conform to particular specifications or not, or for the purchase of supplies by the Government, whether manufactured to conform to particular specifications or not.

Now, Judge McCammon comments on that part of that section.

Mr. McCAMMON. Excuse me; I say if the principle contended for, the general principle contended for, is correct, why should there be any exclusion at all? Why should not all industry be included?

Mr. DOWNEY. Because the brain that evolved that bill realized that there is something the matter there. He has attempted to wipe that trouble out before it occurs. But I will tell you that there is a trap set there to keep the Supreme Court of the United States busy for a year. I can see the ramifications of a battle ship, for instance, beginning out in the coal and iron mines of Pennsylvania and extending all the way down until the very day that she goes overboard in Pennsylvania, and then I see the board of Government inspectors trying to say where the nine-hour day should cease and where the eight-hour day should begin; and the man who drew that bill tried to regulate that, but he has not succeeded.

Mr. HUGHES. Then you think you could sail a battle ship through this particular section?

Mr. DOWNEY. Yes, sir, I think you could sail a fleet through it.

Mr. BARTHOLDT. You state in a general way that we are producing more in this country than we consume?

Mr. DOWNEY. Yes, sir, we are.

Mr. BARTHOLDT. That the supply vastly exceeds the demand?

Mr. DOWNEY. Generally it does at this time.

Mr. BARTHOLDT. If that is true, and there is no question but what it is true—

Mr. DOWNEY. And it is a happy condition.

Mr. BARTHOLDT (continuing). The question suggests itself to my mind, and possibly to the minds of others, whether we are not all working a little too much, and whether we could not afford to reduce the hours of labor?

Mr. DOWNEY. Oh, you are on treacherous ground there. You are on most fatal ground the minute you try to stop production. I tell you I can not, as an employer, afford to stop it. These gentlemen representing labor can not afford to stop it. If you stop that overproduction by eliminating the foreign consumer from the situation, ultimately I am not going to pay but a small part of it. These workmen over there are going to pay it. This is not sentiment; it is not theory; it is hard cold-blooded fact. To illustrate, if this country manufactures a million dollars' worth of goods and sends them to the foreigner, who eats it and drinks it and wears it, and that is a surplus over and above what we need to eat and drink and wear, involved in that production was \$800,000 worth of labor. Now, there is no way in the world for you to do away with the production and sale of that \$1,000,000 worth of goods, unless you must logically do away with the \$800,000 worth of labor, and also the employers' \$200,000 worth of profit. This result is as infallible as death, and I am astonished—I think your question, Mr. Bartholdt, was only to bring out the point, and not that you did not understand it thoroughly.

Mr. BARTHOLDT. Let us go further. If there is a system of overproduction—

Mr. DOWNEY. Overproduction is not a system; it is a result.

Mr. BARTHOLDT. A result—

Mr. DOWNEY. Of tremendous activity in manufacturing. And if we are consuming all we want and can afford, and there is yet an overproduction, we must create a market.

Mr. BARTHOLDT. Is that a desirable result?

Mr. DOWNEY. It certainly is. It is very desirable, because after these gentlemen working with me produce all that they and I want for ourselves, and getting paid for producing our own when we exchange it between us, we have either got to sell to the other nations, or we have got to stop earning, and if we stop earning I can not buy from them and they can not buy from me, and we have to rest until we have eaten each other up to the extent that we are again demanding more than we manufacture, and then we can go at it again and have another period of prosperity.

The foreign markets, gentlemen, are what this country needs. No effort, no thought, can afford to be spared, and when I say it I am speaking in behalf of the workingmen, the millions of them in the country, and if those markets are developed the manufacturer is simply an incidental in the proposition, and he will be fortunate if he makes 10 per cent clear off of the whole transaction. If he can do that, he certainly will produce the factory and will supply the brains, and the tremendous armies of the mechanics will do the rest, and they will get 80 per cent of the proceeds.

Mr. BARTHOLDT. This is the first time that I have ever heard that

theory advanced that overproduction is desirable. Of course, if you can dispose of it in other countries it is all right.

Mr. DOWNEY. Now, how to get rid of it.

Mr. BARTHOLDT. Let me ask you one more question in connection with that. You may not deem it a crime or a wrong on the part of the American manufacturer, who is as a rule protected by a tariff, to sell that surplus which he can not get rid of in this country in the markets of the world at a less price than he gets for it here?

Mr. DOWNEY. It certainly is no crime, and it is certainly a logical outcome of the manufacturing situation. You can not afford to put a furnace out. You can not afford to put these blast furnaces out. Two or three years ago the iron industry of this country was choked with home demands, and you know the tremendous increase in the production of steel; by leaps and bounds it went up. Millions of dollars a year it went up. Now, the point is that if a man puts down furnaces to produce steel and puts them in place, he must keep them going or put them out.

As soon as he arrives at a point where the home consumer can not take any more of his steel he is up against this problem: "I can not afford to operate this tremendous plant on this small local demand. I can not afford to stop it, because it will go to ruin; and I can not stop it because this local demand must have so much steel, and this plant is producing this steel in spite of me now that it is started. The home consumer does not want it, and I can not afford to pile it up in the yard; and if I have to sell that steel at the tail of the mill for less than it cost me I am only letting it go through the mill in order to keep the wheels moving, so that I can produce what these gentlemen at home do want." The technicalities of that are endless, and it takes hours and hours to get down to the bottom of that question.

Mr. BARTHOLDT. Yes; but you would not consider it as a valid argument against the policy of protection if the manufacturer sells in foreign markets cheaper than he does here?

Mr. DOWNEY. Not at all.

Mr. BARTHOLDT. I do not want to raise a tariff controversy at all.

Mr. DOWNEY. No, sir; the whole spirit of it is involved in what you have brought up. Protection has been a marvelous good to this country. It has resulted in just what you say, that we can print newspapers and make the paper and do a great many things and sell to the foreigner in many lines in direct competition with him.

Mr. HEARST. The printing of the newspaper does not have anything to do with it.

Mr. DOWNEY. No; but the making of the paper does. Now, I know you gentlemen are interested in tariff questions as well as in labor questions. In fact, they involve the whole labor situation of our country. On that question the fact is that a man might profitably give away his surplus. There have been cases where a surplus has been actually burned at the tail of the mill.

Mr. HUGHES. That is a crime, is it not?

Mr. SCHULTEIS. Rather than sell it cheaper to the country. Now, with reference to the newspapers that used to sell for 3 cents; do you think for one moment that those papers would ever go back to selling at 3 cents apiece, even though they would be allowed to increase wages and put everything else back proportionately as it was?

Mr. DOWNEY. My dear sir, it is not worth while to talk about

going back. We are going ahead at a tremendous rate that you evidently do not realize. You read four papers a day to one that you would have read formerly.

Mr. SCHULTIES. Yes, because they are cheaper.

Mr. DOWNEY. Yes, and those papers are cheaper because you have decided to read four of them a day instead of one a week.

Mr. SCHULTIES. It is because I get the four of them for 4 cents instead of 12 cents. Do you understand that?

Mr. DOWNEY. If you want to discuss that I will take it up with you sometime.

Mr. SCHULTIES. Now is the time. That is what we are here for.

Mr. DOWNEY. Well, I will answer you, then. I do not want to increase the hours of labor arbitrarily; I do not want to decrease wages arbitrarily. I want to try and act sensibly as an employer with my workmen, to keep upon a footing where we both can compete with any condition that develops from any part of the world, and I will not covet foreign commerce, foreign buying, at a price that makes it necessary for me to ask an American workman to work at a poverty-stricken wage. I say that I would prefer to do without it, if the workman and I have to go back to the farm.

Now, this is not a question of arbitrary things at all; it is a question of clean-cut judgment. Should we pass this bill? Is it advisable to do it? Can we afford to do it? If we can afford to do it—the object of my talk is to show that we can not afford it, as I believe. Now, if you bring any expert in this country to digest that thing out, based upon the industry of the country, just as inevitably as death, you will have to come to the conclusion that we can not afford it, and when I say “we,” I mean that I can not as an employer. We can not afford it, and that is the reason why we do not do it. When we can afford it, I will work as energetically to help to do it as I am working now to prevent it.

Mr. CALDWELL. Getting back to the bill under consideration, let me call your attention to the provision:

No laborer or mechanic doing any part of the work contemplated by the contract in the employ of the contractor or any subcontractor contracting for any part of said work contemplated shall be required or permitted to work more than eight hours in any one calendar day.

You are probably familiar with that wording?

Mr. DOWNEY. Yes, sir.

Mr. CALDWELL. That has been urged as an objection to this bill by gentlemen opposed to it?

Mr. DOWNEY. Yes, sir.

Mr. CALDWELL. If you strike out the word “eight” and insert “nine” or “ten,” would that phraseology be as objectionable to you as it is now?

Mr. DOWNEY. It would not be as objectionable to me as it is now; but I say most emphatically that the spirit of legislators making laws to govern how long I should work for any man in the twenty-four hours is wrong.

Mr. CALDWELL. You are against the principle of it?

Mr. DOWNEY. Yes, sir; absolutely against the principle, because if the modern workman and employer can not decide that question intelligently, legislators can not decide it for them.

Mr. CALDWELL. It is not as to any arbitrary day, but as to any day that may be named by law.

Mr. DOWNEY. If the employer should establish conditions in this country by which he could oblige men to work twelve hours a day, if the employer could force that situation, I would say, "Legislate against it; physically it is wrong, and morally it is wrong, and it is injurious in the end to the employer and to the workmen;" but I say that there must be a mutual agreement in these matters.

Mr. HUGHES. Where do you think is the proper limit?

Mr. DOWNEY. My judgment is not based upon sentiment, and not upon the opinion of the workman, and not upon my own wishes, but upon the economic situation in the world to-day, and I would say that the working day should be nine hours a day. If anyone could fix it, it should be the employer and the workman; and if the workman and I decided that we wanted to extend our trade to China, and we both sat down and discussed it and said, "We will work nine hours a day for the sake of getting that trade," we ought to be allowed to do that. You are not able, even with the very best of intentions, you are not able to legislate for us, to tell the intelligent manufacturer of the United States and the intelligent workman what is best for their good within the environment of their own business.

Now, I say if employers do anything exorbitant like working a fifteen-hour day, you can say that that is wrong, and that is cruelty, and that you will stop it and make the working day ten hours, for instance, or if workmen should work only four hours a day and you should find that our foreign trade is all gone, then you could say that that was wrong.

Mr. HUGHES. It is all gone anyway, you say.

Mr. DOWNEY. No, sir; there is a tremendous balance.

Mr. HUGHES. In shipbuilding?

Mr. DOWNEY. No. I say if you should find that they were working fifteen hours a day you could say, "We will stop it," and if, on the other hand, we, in our enthusiasm, should say, "Well, I will work only three hours a day, because we have established that precedent that we can do that," and then we should go dissipating all the rest of the time, then you might say that we had gone to the other extreme. But as between eight hours a day and ten hours a day the balance is so fine that you can not logically define it, and you must leave it to the men who are concerned in the work. There is no question about the condition of affairs to-day. The manufacturers and the workingmen have been cutting each other's throats, whereas, if they could get together and discuss such questions as have been asked me to-day here by Mr. Hearst, and such as you other gentlemen have been asking me, it would greatly improve our situation.

(Thereupon, at 1.35 o'clock p. m., the committee took a recess until 2.30 o'clock p. m.)

#### AFTER RECESS.

The committee reassembled at 2.30 o'clock p. m., Hon. James P. Conner, acting chairman, in the chair.

#### STATEMENT OF C. H. SMITH, OF AURORA, ILL.

Mr. SMITH. Mr. Chairman and gentlemen, we had expected to have at this hearing Mr. Levi H. Meyer, of Chicago. He came on East to attend this meeting, but was recalled by a telegram announcing that

his mother was in a dying condition, so that he is not here, and the members of the committee had not really expected to say anything to your committee, but to have him say whatever we had to say for us. In his absence I have prepared a memorandum here which I will ask the privilege of going over, and I trust if there is anyone here who desires to ask any questions they will postpone the questions until I have finished. I shall not go into an extensive consideration of this question, but only discuss one or two features of it.

I appear here for the Illinois Manufacturers' Association, an association consisting of 750 leading manufacturing firms and corporations, located in all sections of the State of Illinois, including those in the city of Chicago and the other cities of the State.

The advocates of the bills referred to have not stated clearly what effect the proposed law, if enacted, would have on the manufacturers who furnish materials and supplies to the Government. It is probable its direct application to the business of any manufacturer could only be known after the Supreme Court had passed on it. It is admitted by its advocates that this proposed law is not what they desire, but is only a beginning, their aim being to establish at this time the eight-hour day as a standard for the country, and to prohibit everyone from working more than the prescribed eight hours per day, the demand to be made later for a shorter workday.

As an evidence that the trades unions have already begun the agitation for a seven-hour day, I bring to your attention a clipping from the Chicago Tribune of February 21 reporting that a faction of the typographical union proposes a seven-hour day.

The manufacturers and employers protest against the proposed legislation as tending to establish a shorter working day than the conditions of the country will justify, and shorter than can be adopted at this time without great injury to its material interests.

The position this country occupies as a world power has been earned by the ambitious workmen, who did the work at hand regardless of the hours, but the present standard workday may be considered ten hours. While a few factories work on the nine and the eight hour day, the overtime worked would offset the exceptions.

I will say that with few exceptions the workday in Illinois is ten hours. I have the figures here for 1890 and 1900, with the figures to bring it up to 1904 on this table, but I will not read them.

It can be safely assumed that the labor agitator would demand and fight for the same or greater compensation for eight hours than is now paid for ten hours' work. To produce in eight hours what is now produced in ten, if only as much were produced per hour, would require the addition of buildings, machinery, and plants of all kinds to the extent of 25 per cent, as shown in the table.

The vast sum of \$2,838,290,683 would no doubt fall short of the actual additional capital necessary to take care of the same amount of business, because of the increased cost of all labor and material, and because in many cases the additions could not be made to the present plants on account of the lack of adjacent ground whereon to build. In such cases removal and new plants would be necessary, resulting in loss of present plants. In this connection should be considered whether employers could procure the increased capital, and if procurable whether they would care to put it in so precarious a business as labor organizations would make that of manufacturing.

All hope of selling our manufactured products abroad must be abandoned if the cost can not be brought down to compare favorably with the cost of production elsewhere. It has been the policy of Congress to encourage the industries of the country, and under that policy they have been developed to a degree never before known in any country. It does not seem that they should now be destroyed or crippled by legislation at the demand of trades-union agitators, who represent only a small fraction of the wage-earners of the country.

A large number of those in the unions are members by compulsion who do not approve of the acts of their organizations in promoting mobs and unlawful assemblies, which so shock their sense of right and justice that they drop their memberships at the first opportunity.

The unions in Illinois have lost largely in numbers by the dropping out of those members who have suffered by following the orders of their leaders. That the members of the union disapprove and condemn the unlawful acts committed by the direction of their leaders is evidenced by the votes they cast at every opportunity in the secrecy of the public voting booth in opposition to the recommendations and commands of those who bargain for their delivery.

The demands of these professional agitators are out of all proportion to the number of wage-earners they represent and their power to deliver votes, which is the club they have so long held over the heads of legislators and the courts. The verdict of the people of Omaha, at a judicial election held in that city since the great strike was broken, illustrates this forcibly, and it is the best illustration, because of the election of those who enforced the law and the defeat of those who did not.

Two of the judges before whom cases growing out of the strike were brought, and whose decisions were made strictly according to the law, were reelected by large majorities, while one, who sought the labor vote, was defeated by a large majority. The attorney who conducted the cases for the strikers, in which connection, by the way, he sought to get a writ enjoining the Business Men's Association, was nominated as the union men's candidate for judge. The union men claimed they had in their membership 9,000 votes. This candidate got about 1,500 votes all told. He has since then changed his views.

Fear of loss of their places and a chance to earn a living forces many, if not most men, into the union. Their minds and sense of right may be warped by the teachings of socialists and anarchists, who are employed as organizers, but when strikes occur, and the usual violations of law and order are resorted to and the natural rights of man are trampled upon, they see where they are being led and resent it by dropping out as soon as they can, and they lose no opportunity of condemning the teachings and practices, when they can do so by casting the ballot in secret.

Many of the manufacturers and employers of Illinois and Nebraska furnish goods to the Government. In most cases the proportion of such dealings is a small part of the total of their business, but however small the per cent is it is important to them, and they do not feel they should be legislated out of that privilege. If the measure intends to except from its provisions everything furnished to the Government, then it would seem that the only object is to spread a drag net to catch and destroy the contractor through conspiracies entered into with that intent, or for gain.

The adoption of the eight-hour standard for a day's work, forbidding as it does the wage-earner from working more hours, voluntarily, than the limit set in the bill, is class legislation, and a violation, as it seems to the lay mind, of the rights guaranteed by the Constitution of the United States and the several States. The trades unions have formed themselves into a class and demand legislation for their special benefit, and at the expense of the nineteen-twentieths of the other people of the United States. This nineteen-twentieths are now inquiring why the Government should set aside for the benefit of the one-twentieth 25 per cent of all money appropriated for public works, including the expenditures for building our new navy and the construction of the Panama Canal. The sentiment of the country is opposed to extravagance in the expenditure of public money, and will not approve of adding to the vast sum now being paid as a bonus to this class.

The 25 per cent paid above the market for labor would pay for additional battle ships, public buildings, fortifications, harbors, and levees, or reduce the public expenditures for such things 25 per cent, to the benefit of all and injury to none. When receipts from customs and internal revenue fall off, as is threatened, this proposed reduction in expenses will probably more than offset the reductions in receipts, and render unnecessary the increase of taxes to provide for the expenses of the Government.

The Illinois association will ask that Mr. Mayer may be heard on behalf of our association at a later period, when such time comes as he can leave his home, and while it is hardly probable that he will be able to appear before this committee next Thursday, on account of the circumstances we trust that the committee will hear him at a later period. We will make that request. I thank you very much, gentlemen.

#### STATEMENT OF H. C. STAYER, OF CHICAGO.

Captain Smith explained in the start that the man who was to represent us could not be here, and gave the reasons, and, as he told you, he made a preparation of only a few hours, and for myself I have no preparation whatever. Until this forenoon I was told that I was not expected to speak.

A BYSTANDER. Whom do you represent?

Mr. STAYER. I am one of the committee of the Illinois Manufacturers' Association, and came here by their request; I am a manufacturer at Chicago.

Mr. GOEBEL. In what line of business?

Mr. STAYER. Carriage building. I am here to say a few things from a common-sense practical standpoint, and what I may say I want it distinctly understood is not with the idea of causing any ill feeling, or in any manner to hurt the feelings of anyone, but, on the contrary, with the desire of advancing the cause of right as I see it. My first objection to this bill is that we do not want class legislation. I believe it is un-American, unjust, and unfair. I believe that the employees of a State or of a municipal government should do their work just as do the men on the farm or in the factories, and I further believe that the Government should have its work done as cheaply as should an individual or a corporation, and as we are a free people, endowed with certain inalienable rights, which we are proud of, to start off and make



class legislation would mean to tear down the wall on which this Government was founded. It would be the first step in that direction.

I am not manufacturing goods which would come under this bill—unless, perchance, the Government does occasionally buy a buggy, and I believe two or three times in our history we have built a few rigs on specification—so that I am not interested directly, except as I oppose it being class legislation. But I take it that this bill is a stepping-stone, as it were, for a national day for working, and a little later we would desire to make it universal, and as has been stated here this morning by the gentlemen from Cleveland and Mr. Downey, of New York, it is an impossibility to make a positive hour-day system and have success in all kinds of manufacturing. It is just as impossible as it is to stop the sun from rising in the east.

Many manufacturers produce what is known as seasonable goods—goods that have a market, it may be, once or twice during the year. It would be impossible for that class to run eight hours a day during the year.

During the dull seasons they may run six hours, and as the busy season approaches increase the number to seven and eight hours, and in the busy season run up to nine and ten, and in exceptional cases for a month or so up to eleven hours a day. You can appreciate that manufacturers in that class, if compelled to work on the eight-hour plan, could not produce the same amount of goods in a given time; and in addition to that, in order to produce the amount of goods, at times would have to increase their force materially, and correspondingly when the time was dull, cut down that force. So that the adoption of the eight-hour plan to that class would mean unsteady employment, which is not desired by the laboring people nor the manufacturer. When you take into account the manufacturing industry of this country, the variety, the immense field it covers, considered from the standpoint of the manufacturer, you will soon discover that to attempt to legislate as to the number of hours that should be worked per day would be impractical.

As was explained to you this morning, there are certain things that can not always be done in a certain number of hours. The coal may not just burn as it ought to in the cupola, or the blast may not just be ready, and the result is that the iron that was to be melted and poured in at a certain time, when that time comes has not all run out. It would be utter folly to think of stopping that cupola before it was emptied. The same thing applies to blast furnaces; the same thing can be applied in many places. What little I know of manufacturing—of which I have had some experience—I know by actual experience that there are many cases where a man can not stop at the hour named without causing a loss to the manufacturer. You have had practical illustrations of this point made you by the other speakers.

Last year we had a strike among the carriage laborers in Chicago, in which we were not directly interested, yet at the same time our men were induced to go out in sympathy with the other men; but glad to say that after eight days they were satisfied to return, and everything went on as before. One of the contentions in the strike among the carriage men in the city was the question of hours of labor. After we had started our works our men asked us if we could not accommodate them and shut our factory down on Saturdays at noon instead of 4 o'clock, as had been our custom. After considering the

matter with the superintendent and foreman we told them we were willing to try it, and did adopt the rule of stopping on Saturday at 12 o'clock.

We continued that plan for nearly four months, during which time we kept an accurate account of the work produced, and before the four months were up some of the men complained that they were not being treated fairly; that they could not put in full time on the first day of the week, because certain work had not been done on Saturday afternoon. I might add here in the way of explanation that successful manufacturing means that the lumber, iron, and steel starts at one end of the factory in its raw form, and as it is worked up, and the iron and the wood come together, that they finally land at the farther end of the plant all completed ready for shipment, and the more even the different departments are balanced the more economical and more successful the operation of the plant.

To illustrate the point above made: The painting department in a carriage factory is a large item. It may be information to many here that a buggy body will receive 18 coats of work before finished, starting in one end of a large room, and as the coats are put on it passes on to the other end, and sometimes into another building, before completed. The work is so arranged that a man spends a whole day in covering the bodies with a coat, and that coat either is dry enough for another by the next day or by the second day, as the case may be, so that it keeps passing from one to the other, forming a regular flow of work each day. Now, when you come to the finishing coat, which is varnish, and you stop your factory at noon on any day, the work which usually would be done that afternoon will make the next day short of a full day, for if the work is varnished to-day it is supposed to be ready to hang up the next day, or perchance the second day. By "hang up" we mean to be put together ready for shipment.

When you stop all the departments at 12 o'clock, as stated, those bodies are not finished in the usual way, and the men that do work following the body after it leaves the varnish room in a finished state will be delayed that much time in the regular working day. The result is, the men who bring bodies, gears, and wheels from the different floors to the floor where it is put together, the men that put up the work, and the men that crate the work for shipment were compelled during that four months to lie idle most of the forenoon on Monday. This illustration is a practical one, and worthy of your consideration; and as most of the shops are piecework, and will say for ourselves it is entirely piecework, you can appreciate that the men who had to be about and not get their full quota of work, would not be satisfied.

Then there are many other reasons. During the past two years there was a shortage of cars. Sometimes a car has come in an hour before closing time, and yet the goods have been crated and ready for shipment a week. The parties in the country are in a hurry for them. It is absolutely necessary that the men who do the loading remain over time and got it right out to accommodate the customer, who probably has sold lots of those goods and the parties purchasing them are waiting. The same thing is true of receiving cars. When cars are slow getting in (we will say of iron and steel), and the men in that department have run short of material, and as soon as that car comes in sight they are anxious to have it in the shop, and then they want

the privilege of hustling a few days to bring their department up with the balance of the works. They not only want the privilege of hustling to accommodate the manufacturer, but they have lost some time and they want to average it up. So I might name you many cases, all of which would go to show how impractical it would be to establish any number of hours for a day's work with a penalty.

Most of you gentlemen no doubt watch the markets, look to see what investments are in demand, and if you have not given special attention to the industrials, I ask you to do so—watch the market. The facts are they are scarcely quoted. The industrials of America to-day are looked upon as the poorest investment we have. This is not an idle statement. If you will investigate thoroughly, you will appreciate the force of it, and if you do not think so just come around to Captain Smith or myself and we will tell you where you can make some good investments; make them quickly and buy at a bargain; get them for less than they cost, because nearly without an exception all the men engaged in industrial pursuits are not satisfied with their business. The industrial situation is depressed, and capital is receiving a less remuneration than in any other lines. Of course I should make an exception in a case where a man has a patented article, or something that is new for which there has sprung up a mushroom demand, but that is not staple.

I am speaking of the staple manufacture, the things that are commonplace, used every day. These industrial properties I see can be bought anywhere for a great deal less than the actual value. You may say, why get rid of it. That is the "meat in the cocoanut"—find the buyer. But all this may not have exact bearing on this question of making an arbitrary day for the manufacturer and workmen, and yet it does show this, that the manufacturing industries instead of needing something to curb it, needs encouragement and assistance. A man or company having a large investment in a plant, if they do not operate it, it depreciates in value very rapidly, and the result is he is compelled to keep the wheels rolling even though it is not profitable.

Now, because we have had a great boom in the last six or seven years, manufacturers have all been busy, consequently labor advanced, material advanced, everything advanced, and everybody made a little money, but for the last six months (and some of us will go back a year), and probably the statements that have been made by some of our most successful manufacturers, advising us to call a halt, go slow, curtail expenses; in short, they would say, see the "handwriting on the wall." It is there; we may not be able to see it, but it is there, which says, look out. We have filled the country with everything it wants, and to-day the supply is greater than the demand, with the prospect of the demand growing still less, and yet in the face of that labor is desiring to have wages advanced higher, making it still harder for the manufacturer.

Mr. Chairman and gentlemen, if I were permitted to give you advice, I would say, instead of fixing the eight-hour law, or any kind of a law covering the wage question, turn your attention toward opening the markets of the world and give us a chance to get out this product, and thereby keep our factories running full. If labor can continue to hold its present wages and be kept employed, they are in better position than any class of people in any country on this globe; and if permitted to digress a little to the manufacturer—to the men who stay at home

and keep the wheels of commerce rolling—it is a surprise to them that our legislators, knowing that the demand to-day for goods is not equal to the supply, knowing that the manufacturers, instead of being crowded to the limits, are running short of orders, are laying off their help, knowing that we are almost up against (shall I say a panic?)—against something, that you do not look around and see what you can do to help raise the embargo and put us in position so that we can market our product profitably in foreign market as well as at home.

Do not know that I have anything further to say except as stated in the beginning, that we are utterly opposed to any law that stipulates a certain number of hours for labor and no more.

First. Because it is impractical.

Second. Because it is unjust and unfair to the manufacturer or the laborer. In fact, gentlemen, it can not be done; do not ask us to accept impossibilities.

Mr. CALDWELL. Before you take your seat let me ask you whether you have submitted the feature of this bill that only a certain number of hours' work shall be done in each twenty-four—whether you have talked that over with any of your mechanics and gotten their views?

Mr. STAYER. I have not had any special talk with them about it. I think that you could take a petition and go through that shop and tell them this is an application for an eight-hour law and the majority would sign it, but if the gentleman who had this paper to be signed would permit me to make proper explanation, give the men the true facts, state them fairly, I do not think that one man in ten would sign it.

Mr. GOEBEL. How many men do you employ?

Mr. STAYER. About 400.

Mr. GOEBEL. Is that because they are afraid of you?

Mr. STAYER. No, sir; they are not afraid of me, nor I of them. We are neighbors with each other, and all good fellows. I have men that have worked at the bench there for twenty-five years.

Mr. GOEBEL. It would be because you would demonstrate to them that it was a bad thing?

Mr. STAYER. Yes, sir; it would be because I told them that it was impracticable. I believe they have confidence in me, because I believe they believe that I am their friend.

Mr. DU BRUL. I want to ask you a question which may be outside of your knowledge, or perhaps it is inside. Do you know anything about the strike, and have you heard anything of the inside of the strike in the H. W. Caldwell Sons Company in Chicago?

Mr. STAYER. No, sir.

Mr. DU BRUL. As I understand the matter the strike was a nine-hour strike. The shops were running fifty-four hours a week. Two separate and distinct secret votes of the employees were overwhelmingly in favor of maintaining the fifty-four-hour week with the half-day Saturday holiday, but when they were ordered out by their organization they went out, although they voted in their own shop, without any outside influence, overwhelmingly in favor of the longer day five days a week and the short day on Saturday.

Mr. STAYER. I might add here I think as a whole—

Mr. HEARST. Was this a secret ballot?

Mr. DU BRUL. An absolutely secret ballot in the shop of the men.

Mr. HEARST. How did it become public, then?

Mr. O'CONNELL. Because Mr. Caldwell counted the votes. The proprietor counted the votes.

Mr. DU BRUL. Mr. Caldwell left it to the men.

Mr. O'CONNELL. And the votes were taken inside of the office of the company and counted by the office force of Mr. Caldwell.

Mr. DU BRUL. It is to be supposed that the men had representatives there.

Mr. O'CONNELL. They had not.

Mr. STAYER. I believe that manufacturers, as a whole, are honorable men, who believe in the golden rule—to do unto others as they wish to be done by. It is true there may be a few black sheep among them—in fact, you will find them among all classes—but when you take them as a body there are no fairer men represented on this American continent, and I am willing to put with these manufacturers the majority of the men who work.

There is another thing I will speak of since you have gotten me started again—something that wants to be thought about. You make eight hours a day, for instance, no matter whether you make it positive or not, have you thought about the farmer? Have you thought about the men working on the farm? Do you think he could make a success of farming working eight hours a day? Do you know that because of the high wages and shorter hours we have brought to the manufacturers the boys drawn from the farms, and they are coming so fast that it is almost impossible for the farmer to secure labor under any conditions? Do you know that this is really a serious problem? If you do not I beg of you to investigate it. You certainly read the papers, and you notice what they say when this time comes. Thousands of cars of grain are wasted because help can not be gotten. Now the laboring man, if it were not because he could do better in the factory or in the city, would remain on the farm and be content, and the majority, even with the advantages in the factory—if they were as well informed as they ought to be—would be much better off, even under the present conditions, on the farm. So that I think they ought to have consideration, because the foundation of all wealth, the very source from which we live, comes from the farm.

#### STATEMENT OF EDWIN FREEGARD.

My name is Edwin Freegard. I am secretary of the National Employing Printers' Association, called the United Typothetæ of America. The businesses coming within the sphere of that organization are book and job offices; that is, the competitive printing business of the country, and I refer to that so that you may understand that what is known as the newspaper publishing business and the general printing business of the country are not identical. The newspaper publisher does not compete at all on manufacturing lines. I make these remarks because it seems to me they follow the line of the inquiries that were made this morning.

A newspaper publisher makes his profits out of his advertising. His first idea is that he shall extend his circulation so that he can get an increased value for what is known as the agate line—that is the single-column measure, 14 to the inch. If he can get the sum of \$4 for an insertion in that line as his charge, that is his ambition. His circulation must necessarily be increased in order to get to that place;

and getting to that place he can demand any value in reason for the space that he sells to the advertiser.

I want this understood, because the question of the newspaper being published in seven hours or six hours, as in many cases it is, or in eight hours or ten hours or twelve hours, is not in the real question, because that business is not competitive in the line of manufacturing, but is competitive in the line of circulation; and when a newspaper is willing to give a couple of large volumes, worth a couple of dollars, simply to secure one more subscriber for the period of eighteen months, we can understand the value that they are putting upon the circulation and the small value that they put upon the cost of production.

I do not suppose that there is a publisher publishing a daily paper to-day who gets anything out of the value of the papers he sells. I do not suppose there is a margin of profit obtained for the manufacturer on the paper. And if you do not mind my introducing my remarks on this with that illustration I will do so, because I want to eliminate from what I have to say the influence of the newspaper publishing department.

Mr. HEARST. Does that refer to the manufacturer of the white paper which we substituted for that particular newspaper illustration?

Mr. FREEGARD. Yes, certainly. Now, the gentleman who spoke this morning mentioned the linotype machines. Those machines will do the work of four men, no matter how industrious those men might be. For instance, if a man could produce 1,000 ems of composition in an hour—supposing that a man could do that much—a machine could do four or perhaps five times as much as that, the amount the machine will turn out depending somewhat on the expertness of the man who works it. And while the bulk of a newspaper is being enlarged, if you compare it with the number of men employed on the paper, the number of the men employed is not so great.

Mr. HEARST. I would like to dispute that fact.

Mr. FREEGARD. I am speaking from my judgment. Of course the number of these composing machines in use has displaced men.

Mr. SCHULTEIS. The linotype does not explain the matter of the white paper you were speaking about.

Mr. FREEGARD. The gentleman this morning explained that.

Mr. SCHULTEIS. You wanted to come back to the white paper and give the illustration why wages have increased and hours of labor decreased in that particular manufacture.

Mr. FREEGARD. The reason why wages are high in a newspaper office is simply because the newspaper can not suspend publication. There are some of our members who have job offices in connection with their newspaper offices, and they are the weakest elements that we have in our organization. They are afraid to suspend publication one day, as if it would matter whether a country newspaper should suspend publication for one day or not. The timidity of the publisher is such that they almost always, or generally, yield to the demands made by labor organizations, and it is not because the cost of their labor is an element in the business. That is eliminated. They aim to make their money out of their advertising patronage.

Mr. SCHULTEIS. You have not come to the white paper business yet.

Mr. FREEGARD. Because I do not know anything of it. I know there was a time when it cost 13 cents a pound, and it costs only two

or three cents a pound to-day. There are many causes for that, I suppose. I do not believe that that has anything to do, however, with the other question. I am explaining why the labor in a composition office is not to be put on a par with the ordinary labor of the country.

Mr. HEARST. The point is, that in cases of that kind, like the manufacture of white paper, it is possible to reduce the cost of the product and also increase the wages and limit the hours of work.

Mr. GOEBEL. Is there not a combination and monopoly in that?

Mr. FREEGARD. That is possible; but the point we are here to-day to consider is the provisions of this bill, which is called the eight-hour bill for Government contracts. Those who have had this bill prepared and submitted say to you: "This is not our finality. We want you to introduce this because we want an eight-hour working day introduced all over the country, and if you will give us that, that is the thin end of the wedge, and the result of the passage of this bill will be that we will all be working, after a while, on a shorter work day." Their reasoning is good, but I do not think their principles are good, and I do not think they understand their own welfare or the welfare of the people with whom they are associated.

Mr. HUGHES. It is true, I presume, that great strides have been made in labor-saving machinery?

Mr. FREEGARD. Yes, sir.

Mr. HUGHES. Continually, and are being made. Now, assuming that the labor organizations attempt to control the increased output that flows from the invention of labor-saving machinery by shortening the hours of labor; holding as you do that that is wrong in principle, what do you suggest?

Mr. FREEGARD. I think the idea that the labor is reduced in quantity by the introduction of machinery is a fallacy.

Mr. HUGHES. Increased in quantity?

Mr. FREEGARD. No; I say that the idea that labor, that the amount of labor for disposal, is decreased in quantity by the introduction of labor-saving machinery, is a fallacy?

Mr. O'CONNELL. No such claim is made.

Mr. SCHULTEIS. You made the claim a while ago——

Mr. FREEGARD. The idea is that by the introduction of machinery a shorter work day is made available.

Mr. HUGHES. Yes; but I was assuming that the labor organizations attempt to control the labor-saving devices that are invented by spreading the benefits among the members of their organizations, and assuming that that is wrong in principle, what have you to offer? To put a concrete illustration, the linotype machine displaces a large number of workmen?

Mr. FREEGARD. At the introduction of it.

Mr. HUGHES. And the labor organizations attempted to meet that by decreasing the hours of labor. Since the introduction of the linotype machines, as I understand it, the eight-hour day has come into effect in printing offices where the machines are used, to a greater extent than before, at least?

Mr. FREEGARD. I do not think that has anything to do with the question at all. I think that a publisher wants to get his paper out in the shortest time possible, in the fewest number of hours. It gives him the opportunity of taking in late advertising and information

from all over the country, and if he had his paper all set up at an early hour in the evening he would have to do it all over again.

Mr. HUGHES. If ten men could get out a newspaper by hand, and five men could get it out with linotype machines—

Mr. FREEGARD. Yes, sir.

Mr. HUGHES. The ten men who were getting it out by hand, who were working fourteen hours a day, would be in favor of reducing the hours to eight and employing the other men who would be displaced at the reduced hours?

Mr. FREEGARD. It is not a matter of my opinion. It is a matter of social operation. It is not a question of what I think. If you ask me, I say for a man to work nine hours a day is about the right time. Some eleven years ago we worked in the printing business—or to go back a little further than that, in 1887 we worked in the printing business—ten hours a day, and we had an agitation among the laboring people who wanted an eight-hour day, and they ultimately came to us with a proposition for a nine-hour day, a straightout proposition for a nine-hour day, and we met in the city of Chicago and consulted over the proposition and decided that the nine-hour day was impracticable, and we formed the United Typothetæ of America, and the matter was settled for a number of years.

But in course of time the minds of the men who ran the business changed. They saw that the introduction of this labor-saving machinery would enable them to shorten the workday, and the result was that in 1897 we had a conference in Syracuse, N. Y., between five members from the United Typothetæ, five members from the Typographical Union, and five members from the printers and five from the pressmen; and we consulted on this proposition, and, after having a tussle for about three days, we all evolved the principle that the working-day could be shortened, and we eliminated one hour—a half an hour and the next year another half an hour—and then we brought it down to a nine-hour day, and that is the working-day to-day. If you were to fix eight hours for a day, that would not do. You determine that a man shall not be permitted to work more than eight hours.

If you were to omit this prescription and let a man work as many hours as convenient, how would that do, with an additional price paid for the extra overtime work? You see what the proposition is: It is not that you make a positive eight or nine or ten hour workday, but you have affected the scale of wages. Let me suppose the case of a man getting 30 cents an hour who continues on the same rate on the eight-hour day. He would, of course, get 30 cents less each day. Now, suppose he goes ahead and works that ninth hour on an overtime plan. Instead of 30 cents he gets 45 cents for that hour. What has he done? Shortened his day? Not at all; he has increased his scale.

Instead of getting 30 cents an hour, he gets 30 cents an hour for eight hours, and for the last hour of the nine hours he gets 45 cents. If that is agreed to between the labor organizations and the employers, that is all right. I am not fighting labor organizations. We claim the right to run an open shop. Half of the members run an open shop. I do personally; I have some union and some nonunion men in my shop. That is the ideal shop, and the most conducive to progress. And one of the reasons that I am here to oppose this bill



is because it is to put a limit to individual enterprise and ambition, and because the very men who are supposed to be benefited will be injured by it.

I was brought up a printer. I served ten years as a printer. I served as a journeyman, and there have been times when I belonged to labor unions. Whenever I considered it as no longer to my interest to belong to one of those unions I went straight to the office and said, "Gentlemen, your association does not suit me; it has got terms in it that I regard as a disadvantage to my enterprising habits, and, consequently, please take my name off your rolls." In London one of the men that I went to with that request said, "I think you are making a mistake." I said, "That may be, but you will permit me to exercise my own judgment in regard to what is best for me." What has been the result? I have been in business for myself for thirty years. Why should not these men be in business for themselves? Take old Ben Franklin. He would work twenty-five hours a day.

Mr. O'CONNELL. All captains, and no soldiers; is that the idea?

Mr. FREEGARD. Don't you worry about that. That natural law of equality will control things. But I tell you that the laborers make a mistake in this direction. What they want is to reduce themselves to the level of the lowest and bring those who are the best down to the level of the poorest workmen. You want to have ambitions. Of course I am getting somewhat into a lecture instead of speaking directly to this bill, but it grows out of it. The principles of this bill are fundamentally wrong, simply because they take away the right of a man to work as many hours as he pleases, and they also bring him down to the level of the lowest workman.

And I would like to refer to this fact, that it may be said that this bill has no application to public printing. There I would like to make an explanation. Many of the offices through the country do occasional contract work for the Government. Take those especially for the Post-Office Department. They are working nine hours a day, and the sore place with their employees is this, that the Government employees in the Government offices work eight hours a day. Why should a Government employee, engaged to do a specific kind of work, work less hours than the employed workmen throughout the country?

It is a cause of discontent, and it is because of this discontent, stimulated by the Government, that the labor leaders throughout the country have taken advantage of it and are endeavoring to make it go further. It is the tendency of class against class. It is a natural outcome of human nature. What we want is an open field for everyone. We want to be sure that we can enjoy the rights that have been assured us under the Constitution of the United States. We do not want any favors. We do not want any other man to have favors.

The viciousness of the bill is indicated by the exceptions made in the closing paragraph. It was evident that the thing could not be carried out to its fullest extent, and consequently there have been quite a number of exceptions made. The paragraph I want to call attention to is the last in the bill, in which there are certain exceptions for emergency work and for work to be done in time of war, and it is provided that these exceptions are to be determined by an officer engaged in the work. What does that mean?

That simply means that wherever there is a job for the Government during time of war or a time when war is imminent, or in any other

case when in the opinion of the inspector or other officer in charge any great emergency exists, the officer in charge of that particular job—and it will take a great many officers to take care of that work—that such man, who in such an emergency shall be selected as the one to direct that work, shall have the power to determine whether an emergency exists. Now, I say it respectfully, that there is a possibility of a good deal of graft in this sort of legislation. That is understood as a slang word for perquisites. It gives a great opportunity for those who want to see an emergency when there is no emergency.

Mr. CALDWELL. Do you use that in the St. Louis sense of the word?

Mr. FREEGARD. I do not hesitate to say, yes. It is also in the New York sense of the word. We want, in all the legislation of this country, simplicity. We do not want any partial legislation, such as this suggests, with loopholes for trickery and for graft.

Mr. SCHULTEIS. You say that you run an open shop now?

Mr. FREEGARD. Yes.

Mr. SCHULTEIS. Do you pay time and half time for overtime, or double time?

Mr. FREEGARD. We pay the full thypothetæ scale.

Mr. SCHULTEIS. What is it, time and half time, or double time?

Mr. FREEGARD. Time and a half for certain hours, and Sundays two prices; what are called national holidays, two prices.

Mr. SCHULTEIS. Double time?

Mr. FREEGARD. No, sir; it is——

Mr. SCHULTEIS. That is on holidays and Sundays?

Mr. FREEGARD. On holidays and on Sundays a man gets two prices.

Mr. BARTHOLDT. And you pay the same for union and nonunion men?

Mr. FREEGARD. Yes, sir; we had to make an agreement with the labor organizations. We have about a thousand firms connected with us, and it is the general plan for an agreement to be drawn; and these agreements are expected to bind all the members, so that none shall have opportunity for competition which is unfair.

Mr. HUGHES. A nonunion member then benefits by the organization of the union members?

Mr. FREEGARD. That is the assumption, that they would not get as much pay as the union.

Mr. HUGHES. Do you think they do?

Mr. FREEGARD. Yes, sir; I think they would get more, even. As you see, you are bringing all your men down to the lowest.

Mr. HUGHES. Is there anything in the agreement to prevent you from paying more to a good many?

Mr. HUGHES. No, no; nothing. It is a very common practice. In fact, I suppose in every large office there are men who get more than the regular scale.

Mr. BARTHOLDT. That is day work, not night work?

Mr. FREEGARD. Not night work. I am not referring to newspapers. They make their own scale.

The National Publishers' Association adjust their own affairs. They have a commissioner, Mr. Frederick Driscoll, who attends to that. There is an agreement extending up to May 1, 1907, an agreement binding both parties, that the working day shall be fifty-four hours for the week.

Mr. GILBERT. I understood you to say that you represented about 1,000 firms?

Mr. FREEGARD. Yes, sir.

Mr. GILBERT. Is there not any agreement to charge uniform prices for work among those firms?

Mr. FREEGARD. We are not a price-making organization.

Mr. SCHULTEIS. But is it not a fact that an agreement does exist between the book and job firms right here in Washington?

Mr. FREEGARD. You probably know about that as well as I do.

Mr. SCHULTEIS. It exists in Chicago among your people.

Mr. FREEGARD. I know there are organizations of labor and of employers for the purpose of controlling not only labor, but the price question, and in the city of Chicago particularly, unfortunately, an un-American system prevails.

Mr. SCHULTEIS. You have insisted upon the importance of preserving the individuality of the laboring man. Have you preserved the individuality of the employer by the making of these agreements and combinations?

Mr. FREEGARD. We have done that for the sake of harmony and good feeling and avoidance of disputes.

Mr. SCHULTEIS. And to avoid that you confederate together?

Mr. FREEGARD. Yes, sir; and our idea is that the agreement shall be made with the association, because then it combines all the members of the association.

Mr. SCHULTEIS. Would it not be a good thing to preserve the individuality of the employers and the firms that engage the services of the laboring people?

Mr. FREEGARD. For what purpose?

Mr. SCHULTEIS. To preserve the traditions of old Ben Franklin, and American citizenship, and the Constitution of the United States.

Mr. FREEGARD. If you knew the practices of the printers who compete in business, you would think they had a good deal of individuality. I doubt whether the printing business pays 10 per cent. I am told that the general sentiment is that competitive prices in printing leave so small a margin that it is a question whether it is worth while to continue in business. You know what competition is. The man who thinks he can turn out the work cheapest makes a bid for it, and he may make a mistake. We advertise from State to State and send men out into the surrounding territory for the purpose of soliciting work, and every city is doing the same thing. Chicago comes into St. Louis territory, and St. Louis invades Chicago territory, and all the cities around all compete for the same work; and while we have no scheme such as is suggested by the gentleman over there, and there is no certain systematic price arrangement by which competition is eliminated, personally I wish there were.

Mr. SCHULTEIS. There does exist such a thing.

Mr. FREEGARD. You are making the assertion. You know what you are talking about.

Mr. SCHULTEIS. I do. I got a job submitted last year, a yearly job of \$30,000 a year, to the book and job printers of Washington, and there were twenty-five or thirty bidders, and the difference in the bids from that number of bidders was not \$10.

Mr. FREEGARD. That shows that they are getting together and fixing the value of their stuff, and I think that is a good thing, if they do.

Mr. SCHULTEIS. Yes; I thought so. The individuality of the publisher is eliminated.

Mr. FREEGARD. You could not tell where a man's individuality reaches. There are lots of things that are affected by it; for instance, the capacity that he has for producing work in a given time. There are a number of reasons why work should be given to a particular person or persons, even though there were a number of others bidding the same figure for the work.

Mr. DU BRUL. Can such a thing come about in this way, that the purchasing of the materials, and the rate of wages and so on, being about on the same level—now, I am not saying that it is so—would it not be possible that they might be on the same level as to the burden of expense upon them, and so forth, so that it would be very natural for them to have about the same prices?

Mr. FREEGARD. I do not believe an article has sixteen prices.

Mr. O'CONNELL. I can ask for a bid on an article above a certain amount, say \$500, and I tell you that that bid can not be gotten within a certain number of hours, it can not be gotten until it passes into certain hands, in the book and job trade of Washington, and then the man who gets the bid in the first place has a right to it, provided the others do not make any difference in it.

Mr. FREEGARD. If you ask me, take this book for instance [holding up book], if that book has sixteen values to it, I say no. It has one value. Whether the persons who make bids on it give sixteen prices, is a different matter.

Mr. O'CONNELL. It has cost us just \$2,000 to get your men together since your Typothetæ was organized.

Mr. FREEGARD. What do you want to accept it for? Why do you not get away?

Mr. O'CONNELL. We have just gotten away from Chicago, where we had the same thing, and we have come here and gotten into it here.

Mr. FREEGARD. I have here a copy of some resolutions which I would like to read.

First. That a compulsory eight-hour workday, such as herein provided for, is class legislation of the worst kind, and instead of being an advantage would work lasting injury to mechanics and laborers, by reason of its limiting free personal action and the necessity for increased taxation to carry on the business of the country.

Second. That it is contrary to the Declaration of Independence, which affirms "that all men are endowed by their Creator with certain inalienable rights," among which are "Life, liberty, and the pursuit of happiness;" and that the Constitution of the United States has not empowered Congress to interfere with the industrial liberty of the individual to work few or many hours, according as his needs and best judgment may suggest.

Third. That a compulsory eight-hour workday would make it necessary for the Government to pay largely increased amounts for carrying out its contracts; that these largely increased amounts would be equivalent to a subsidy in the interest of certain workmen, without any corresponding advantage; that it would make it obligatory for contractors to possess larger capital to provide machinery necessary to furnish in a day of eight hours the same product that can be obtained in the present ordinary workday, which is of greater length, and would therefore necessarily restrict competition.

Fourth. That a compulsory eight-hour workday would involve in serious confusion the business regulations of establishments whose contracts on other than Government work are based on a longer workday, even though the character of the work were the same, as well as create dissatisfaction among the workmen.

Fifth. That such an eight-hour workday would tend to coerce business of all kinds, irrespective of Government contracts, to conform to its requirements; and would interfere with and cramp enterprise and development, and would restrict the productive capacity of the country's manufacturing establishments.

Sixth. That the people as a whole are content, and in no way desire interference by Congress in the regulation of their industrial affairs, the adjustment of any differences in regard to which can be secured by mutual conference and arbitration; that the labor organizations agitating for this legislation are attempting to forcibly obtain that which by natural and social obligations they are not entitled to; that members of these labor organizations do not represent more than one-tenth of the labor interests of the country, and that if permitted to fairly express themselves even they, in a majority of instances, would be recorded as indifferent to any such legislation.

As an interlude I would like to say that in the city of Chicago a vote was taken of the typographical union there as to whether they should contribute a certain amount for the bringing about of an eight-hour workday, and there is a report of it to the effect that when that vote was taken two-thirds of the ballots were against the paying of a subscription.

Mr. O'CONNELL. Those people were against giving up their money.

Mr. FREEGARD. I simply refer to that as an absolute fact recorded in a publication which is issued in the interests of labor.

Mr. O'CONNELL. They had so little money that they did not want to give any of it up.

Mr. FREEGARD. The resolutions continue:

Seventh. That pressure is brought to bear on representatives of the people to secure passage of this bill by those whose desire is to further their own selfish ends, and is not warranted by the needs of workmen or by national conditions; that the aim is to coerce citizens whose manufacturing and commercial enterprise have elevated this great country to its proud position among the nations, and in consequence of which so large an amount of prosperity has of late years prevailed; that the enactment of this bill would negative this prosperous condition, to the great injury also of those whose interests it professes to advance.

Eighth. That the example furnished by the experience of Great Britain, whose manufacturing activities have been so largely restricted because of regulations enforced upon its manufacturers by legislation and the dominating power of labor organizations, so as to seriously affect its commercial standing, should be a warning to the law-makers of the United States of the harmful result of undue meddling with the industrial affairs of the people.

Ninth. That the desire to secure or retain political power through concessions of the kind demanded in this eight-hour bill is a reflection upon our national honor, subversive of the principles of the Constitution, and destructive to business interests, as well as encouraging the alignment of one class of citizens in antagonism to another class.

Mr. O'CONNELL. In the seventh clause there you say the gentlemen who are advocating this bill are doing it for a selfish purpose.

Mr. FREEGARD. That is what this document says.

Mr. O'CONNELL. You are reading your document. I suppose you stand for it.

Mr. FREEGARD. I will tell you what they mean by that, that there are certain men who are regarded as leaders of labor whose living, salary, occupation, is entirely dependent upon the results they produce by the agitations they make throughout the country. We say they have to earn their salaries—that is the common expression—and they are earning their salaries by disseminating principles that are wrong, erroneous, and—

Mr. O'CONNELL. Then you do not mean to convey dishonest motives?

Mr. FREEGARD. Oh, no.

Mr. O'CONNELL. I did not know but what you did.

Mr. FREEGARD. No, sir; the labor leaders have to do something for the money they receive.

Mr. O'CONNELL. The same as you do?

Mr. FREEGARD. Yes, sir. I do not suppose the secretary of any manufacturers' association here to-day would say that he was not trying to earn his money. But that does not alter the condition of things. You are appealing to the Congress of the United States to grant you a favor. I have never known people in the printing business to approach Congress and ask for favors, or any other manufacturing business.

Mr. HUGHES. There are very few manufacturers who are asking for favors at the hands of Congress.

Mr. FREEGARD. What I mean is that you are asking, under the guise of it being for the benefit of the country at large, that this bill shall be passed, such as the principle of protection which prevails, and subsidy, such as was mentioned this morning. It is so that we may maintain for ourselves the advantages that we have accumulated by our industry and intelligence, and so forth.

Mr. HUGHES. You were here this morning?

Mr. FREEGARD. Yes, sir.

Mr. HUGHES. I see that there is something in this document which says that manufacturing in England has been restricted. It reads:

That the example furnished by the experience of Great Britain, whose manufacturing activities have been so largely restricted because of regulations enforced upon its manufacturers by legislation and the dominating power of labor organizations, so as to seriously affect its commercial standing, should be a warning to the lawmakers of the United States of the harmful result of undue meddling with the industrial affairs of the people.

Do you remember Mr. Downey stating this morning that English workmen in English shipbuilding exceed the amount of work and give greater profits than American workmen with the same materials and the same tools by 60 per cent?

Mr. FREEGARD. Yes, sir. He was speaking for one particular class of business. It is a matter which is so universally testified to that there can be no doubt about it that the manufacturer in England is tied up almost hand and foot by legislation—sanitary legislation, legislation as to hours of working. You can hardly pick up a trade publication without finding suggestions of that character.

Mr. HUGHES. Now, I will just read you again from this bulletin of the Bureau of Labor, published in January, 1904. I read from page 28, from the article by Mr. Hills, of the Thames Iron Works Shipbuilding and Engineering Company. He says:

But this is not all. The true criterion of manufacturing progress is to be found not in quantity alone, but as it may be combined with quality. Cheap construction is good, but first-class craftsmanship is better. How do we stand in this matter? Self praise is no recommendation, but I think we may with proper pride point to the fact that the *I. J. B. Shikishima* (which was designed, built, engined, armored, armed, and put through her trials in the record time of thirty months) has been recently made the flagship of the Japanese navy, and we may note that the engines of *H. M. S. Duncan*, *Cornwallis*, and *Albemarle* have passed through the most extensive trials without even water on their bearings, and that the gun trials have been completed without damage of any kind.

These ships were built by this concern operating on an eight-hour basis in competition with concerns operating on a nine-hour basis.

Mr. FREEGARD. Of course there may be concerns that can run on an eight-hour basis. What we say is that Congress should not meddle in this thing; that it is a matter that will adjust itself by the ordinary interchange, if Congress will just keep their hands off of it, as they should. We ask that their laborers shall not assault our laborers, and not do things which are violent, and destroy property. Quit work

when you want to; if you want to quit in a body, quit; but when you quit just simply leave us and let us be, and go away from us, and we will get along ourselves, and if we can not get help to take your places then we will give you what you want. We do not say that it is coming; but if an arrangement ever comes, it should come between a national organization of employers and employees.

Mr. O'CONNELL. How can it come from the employers on the open-shop policy?

Mr. FREEGARD. What has that to do with it? I will tell you. I went into the Syracuse conference and they said: "You gentlemen here represent the U. T. A.; what guarantee can you give us if we enter into a shorter-day agreement with you that you can bring it about?" We said: "We can give you no promises at all except that we five of us will undertake to do that. But we are empowered by our organization to make an adjustment of some kind."

Mr. O'CONNELL. The agreement was made by the organization?

Mr. FREEGARD. It was made in the name of the organization by us five men.

Mr. O'CONNELL. Exactly.

Mr. FREEGARD. But we might have turned to you and asked you, "What guarantee can you give us that you bind all your men?"

Mr. O'CONNELL. The same agreement that we made with them.

Mr. FREEGARD. Yes; that is all you could give.

Mr. O'CONNELL. But my question is, if you run an open shop and there is no organization, how can you ever begin—

Mr. FREEGARD. If a member of the open shop belongs to our organization, he is bound by the organization. I pay the scale because I belong to the St. Louis Typothetæ. I have not the slightest desire to do anything else, and I think that the open shops stand in exactly the same position with us.

Mr. O'CONNELL. My point is that the unorganized men, the unrepresented men, with whom you make a contract, do not represent the unorganized men in the open shop. How can you make a contract with these printers to govern these men? You can not take a man by the neck and say, "You must do this," but you make an agreement with the organization that it will do this.

Mr. FREEGARD. Yes.

Mr. O'CONNELL. How can you make a contract with a man through them whom they do not represent?

Mr. FREEGARD. We can not do it any more than you do with your unions when they throw down an agreement.

Mr. O'CONNELL. Then your suggestion that it should be done by contract between mutual organizations can not be carried out; that can not be done?

Mr. FREEGARD. It has been done.

Mr. GOEBEL. It was a mere matter of contract with the individuals?

Mr. FREEGARD. No, sir; the matter is that the United Typothetæ represents about 60 per cent of the typothetæ of the country, and when that 60 per cent sets the example the balance of the country follows it. Men will not work ten hours where they can work less.

Mr. GOEBEL. I submit this is a little beside the question.

## STATEMENT OF MR. CHARLES F. WALZ, OF CINCINNATI.

I represent the Citizens' Industrial Association of America, and am here for the purpose of reading a resolution that was adopted by that organization in its convention at Indianapolis, on Monday or Tuesday of this week. I merely desire to preface my remarks with that statement, in order that you may understand.

A MEMBER. What does that organization do? What is its purpose?

Mr. WALZ. It is composed of the various employers' organizations, manufacturers' organizations, trade organizations, and citizens' alliances and associations of the entire country, hundreds of these organizations being in there and the membership running up into many, many thousands. Now, this organization is the national body in relation to these local organizations just on the same principle, to a certain extent, as the American Federation of Labor is the head of the local unions of the various cities and to a certain extent it serves the same purpose. You will understand it is the national body under which the local organizations cooperate and work together.

The CHAIRMAN. What is the object of the organization?

Mr. WALZ. It has many objects.

Mr. SCHULTEIS. What is the object? Just be frank with us.

Mr. WALZ. The object in the first place is to enforce the law.

Mr. SCHULTEIS. What law?

Mr. WALZ. The law of the land. In other words, when the unions go out on strikes to see that the law is enforced, and to say to the strikers that they must be decent American citizens and obey the law. That is the first purpose of the organization, and the next is to bring forward the proposition of the open shop—the open-shop proposition, that every man shall work without class distinctions. Around these two propositions everything else centers; especially upon the enforcement of the law.

Mr. SCHULTEIS. You believe, then, that the present officers of the law are not sufficient to carry out the law? Who is the president of your organization?

Mr. WALZ. Hon. D. M. Parry, of Indianapolis. These resolutions read:

*Resolved*, That the eight-hour bill now pending before Congress is an invasion of the rights and liberties of the laboring men of this country, because it prohibits the employment of any workman more than eight hours in any one calendar day, however much he may desire to work longer and however necessary it may be for him to do so.

*Resolved*, That it is also detrimental to the industrial interests of this country.

*Resolved*, That this effort to fix by law the wage or hours of labor is distinctly socialistic in its tendency and destructive of the right of free contract between employer and employee.

*Be it further resolved*, That copies of this resolution be sent to the chairman of the Educational and Labor Committee of both the House of Representatives and Senate and to each member of such committee.

This, gentlemen, I was asked to present to you.

Mr. CALDWELL. That was passed, you say, this week?

Mr. WALZ. Yes, sir; this week, unanimously; and I was asked to present it here at this hearing.

A BYSTANDER. Did it occur to you that this organization was socialistic and illegal?



Mr. WALZ. It had not struck me that it was particularly socialistic; no. The organization condemns anything that tends toward socialism.

A BYSTANDER. You have put a narrow interpretation upon the word "socialism." Socialism means any combination in violation of the laws of the land to effectuate any purpose.

Mr. WALZ. I think that definition is faulty. It is not the common acceptance of that term.

A BYSTANDER. I see it is not. Socialism may be a combination of capitalists and manufacturers as well as a combination of laborers.

Mr. WALZ. The socialism to which these gentlemen refer is not of that kind. It consists in the taking of property away from the man that has it and giving it to the fellow that has not any.

Mr. TRACY. You say that at that convention they denounced socialism?

Mr. WALZ. I have read the resolution.

Mr. TRACY. Are you aware that at the labor convention held at Boston last September they said that they also denounced socialism?

Mr. WALZ. No; they said they would not go into politics.

Mr. TRACY. We put that in the record now. Then do you mean that your association is going into politics?

Mr. WALZ. I do not say anything about it, sir. I suppose they will all vote.

Mr. SCHULTEIS. Are you the secretary of this organization?

Mr. WALZ. No, sir.

Mr. SCHULTEIS. What position do you hold?

Mr. WALZ. I am one of the humble members only. I represent, as secretary of the Employers' Association of Cincinnati, Ohio, one member of that organization. By the officers of the association at Cincinnati, I was authorized to present this resolution to your committee.

A BYSTANDER. Under the common law regrating, or the combination by which the price of a commodity was fixed, was in violation of the law, and a combination by which men were prevented from laboring was against the law. "Socialism" seems to be used there in the sense of "anarchy." Now, if a thousand firms confederate together to make a law for themselves, which is in derogation of the law of the land, that is socialism.

Mr. WALZ. That is anarchy more than anything else.

Mr. DuBRUL. They want no more privileges under this organization than they are willing to grant to anybody under the laws of the land.

A BYSTANDER. The very fact that you organize shows that you do. You are putting your interpretation upon it as to when the law is violated.

Mr. DuBRUL. No, sir; we are only too glad to bring it before the law.

Mr. WALZ. We want to see that a man who violates the law is brought before the courts.

A BYSTANDER. That of itself is an acknowledgment that the law is ineffectual.

Mr. DuBRUL. The object is to call the attention of the officers of the law to the fact that they are not enforcing the law, and to create a sen-

timement demanding the enforcement of the law. That is not anarchistic or socialistic.

Mr. SHULTIES. Has your organization taken any steps to enforce the eight-hour law?

The CHAIRMAN. I think this is digressing from what we are here for. (Thereupon, at 4.20 o'clock, p. m., the committee went into executive session.)

COMMITTEE ON LABOR, HOUSE OF REPRESENTATIVES,  
*Washington, D. C., March 3, 1904.*

The committee met at 10.30 o'clock a. m., Hon. David J. Foster in the chair.

Mr. ROBERT C. HAYDEN. Mr. Chairman, there are here this morning Mr. I. W. Jenks, manager of the American Steel Hoop Company, and Mr. A. R. Hunt, general superintendent of the Homestead Steel Works. We will go on now with Mr. Jenks, if he is ready.

The ACTING CHAIRMAN. The committee will be glad to listen to Mr. Jenks.

**STATEMENT OF I. W. JENKS, MANAGER OF THE AMERICAN  
STEEL HOOP COMPANY.**

Mr. JENKS. Mr. Chairman and gentlemen, I am general manager of the American Steel Hoop Company mills, residence Edgeworth, Pa. We operate mills at Duncansville, Pa., five large ones in Pittsburg, one at Mingo, Warren, Girard, Greenville, and two at Youngstown, Ohio.

Just about a year ago I appeared before the Senate committee, just on the spur of the moment almost, to speak a little about the evidence given by Mr. Garland. I was hardly able to go into that as far as I would have liked, and I feel it should be gone into a little more, as Mr. Garland has not been very closely associated with the iron and steel business for a few years. Further than that, there are quite a number of very misleading statements. I do not mean for one moment that Mr. Garland intended to mislead, or anything of that sort. In one of the paragraphs here he refers to the finishing departments of the Republic Iron and Steel Company, and says that they had agreed with the Amalgamated Association of Steel and Iron Workers to go on the eight-hour basis.

The ACTING CHAIRMAN. As I understand, you refer to Mr. Garland's testimony before the Senate committee, at the last session.

Mr. JENKS. Yes, sir.

The American Steel Hoop Company operates, as far as their union mills are concerned, on exactly the same scale, and the clause in this scale reads that an eight-hour turn will be adopted where practicable. Mr. Garland further says that he expects that will be put in immediate operation. It has not been put in operation yet. It can not be put in operation successfully.

Then, later on, we have a statement of Mr. Frank Morrison from John Williams, the secretary and treasurer of the Amalgamated Association, in which he states that all of the Republic Iron and Steel Company mills are on the eight-hour basis. He then refers to our

mills in Youngstown and vicinity—I mean the American Steel Hoop Company mills in Youngstown—and says that we had 400 men working on an eight-hour basis. The fact of the matter is, we had 16 men only, out of a total of union members of 553, working on an eight-hour basis, and that eight-hour basis is not the same, I understand, as the eight-hour basis in this bill now before you.

It does not mean that a man must cease work at exactly eight hours or eight hours and five minutes. It means that that man very often, if his relay man is not there, will work eight and a half or nine hours, and if he would not do that, it would just mean keeping a train of rolls idle until we could get a man. It is absolutely impossible, from my experience in a mill—which has been since I was 12 years old—to run a mill on a strictly eight-hour basis in the manufacture of steel or iron.

In the first place, a puddler can not get his work out in time in the eight hours—that is, the actual work, I mean. You take the puddlers that Mr. Williams and Mr. Garland say are working on an eight-hour basis. Our average time for a puddler in the mill to-day to make five heats of iron is ten hours and a half. You can not possibly get your work out in eight hours, and you can not cut that down to a position where a man must leave or could leave at exactly eight hours and not work one or two minutes over.

The ACTING CHAIRMAN. What are those sixteen men you speak of?

Mr. JENKS. There are sixteen men who work at what we call our roughing rolls, on the 12-inch mill. It is a laborious position, and it is economical for us to put those men on eight hours, as we can get that much more work out in the twenty-four hours just where it is particularly hard.

The ACTING CHAIRMAN. Do you mean you run the twenty-four hours?

Mr. JENKS. Yes. The balance of that crew work twelve hours. I might say this: This position is so hard—

The ACTING CHAIRMAN. A member of the committee was not in when you began. State again, will you please, the line of industry in which you are engaged.

Mr. JENKS. In the manufacture of iron and steel, with the American Steel Hoop Company, a part of the United States Steel Corporation.

As a matter of fact, the positions occupied by the sixteen men I refer to are so laborious—we have not yet been able to get any machinery to take their place—that there are two relays of men on each eight-hour shift. Only two can work at one time, so that these men could not possibly work over four hours each if they worked every night, and our object is economy, on our side. It is not economy to a manufacturer to work a man to the limit of his capacity. We have to take care of our men and we do take care of them.

But what I wanted to particularly call your attention to was this: As I understand this bill, it means that a man working on Government work must stop actually at eight hours. If I know anything about the business, gentlemen, we can not do it without an enormous cost and enormous loss in some cases. Since I was here a year ago I have thought a good deal about this. I have tried to take into consideration that possibly we will have to meet these conditions, and I have tried to figure it out. As manager of the operating I have tried

to figure out how we could possibly do it, and I will say frankly that the more I read this bill the less I understand what we are supposed to do. If this bill were to become law, if we were to accept a contract under it, say to commence next Monday, or whenever it may be, my first duty to the executives of our company would be to take a superintendent and explain to him what this bill means, where, along the different steps of the line of manufacture, it commences and leaves off.

Does it commence at the ore mine, the coke ovens, the limestone pits, the closed furnaces, the open hearth furnaces, the puddling furnaces? Where does it commence? I am responsible, and I have got to instruct the superintendents how they can obey that law. I have asked our attorneys and they can not tell me where it commences or where it leaves off; and I will be frank to tell you that if I had to start on Monday morning with a contract, I could not commence. I do not know where to commence. I do not know what to do. If it means to go back to the ore, then it means a long line of inspectors all the way back. We in Pittsburg can not swear to what a man does north of Duluth, 1,200 or 1,400 miles away. How you are going to overcome that, I do not know. I must admit I am helpless.

There is another point here. Suppose we are manufacturing steel or iron. You take iron for stay bolts for boilers. Just take the ordinary rivet rod iron or steel, and suppose we are compelled to stop at eight hours. How we are going to divide that tonnage, how we are going to divide the value of the work done between those men, I do not know, because one man might do 95 per cent of the work and another man might come in and do 5 per cent of it. I will admit the more I think about it the farther I am off as to how we can practically run a mill on that basis.

I can see how it can be done if you have a mill, or if the Government has tonnage enough to give a mill so that they do not run on anything else but that tonnage, but how they are to compete with the open market and then maybe to-day or to-morrow, or some other day, work on Government work, I do not see. It is not practical. It is not a matter of dollars and cents, because if it is a matter of dollars and cents the Government pays it finally. If it was purely a matter of dollars and cents I would not oppose it so much. It is impracticable. We do not see how we can do it.

Mr. CONNOR. What do you mean by saying the Government would have to pay it eventually?

Mr. JENKS. It would increase the cost of manufacture, sir.

Mr. CONNOR. Do you think you are able to demonstrate the fact that the Government would have to pay more for what it purchases if this change should be made?

Mr. JENKS. I hardly know how I could demonstrate that, only on wages and a regular business basis. In the line of manufacture there is no charity about us so far as dealings between us and our customers are concerned. The Government is purely a customer. If they insist on our putting 10, 15, or 20 per cent more cost on our labor or anything else, they must pay the bill. We have not a fund to draw from. They must pay.

It seems to me it is carrying the legislation, if you will allow me to say this, too far. I would not want a government to legislate how long I should work.

Going back to this eight-hour bill, where does it stop? Will it apply to the superintendent? Does it apply to me? Because I tell you frankly I have broken that now, for I have worked over eight hours in one day trying to fathom that thing out and I can not do it.

Mr. HAYDEN. Excuse me one moment, Mr. Jenks. In saying that the Government would have to pay the extra cost thrown upon the contractor by an eight-hour system, you mean that in bidding on Government material you would add to the amount of your bid an amount sufficient to cover the extra expense?

Mr. JENKS. Yes, sir; that would be added in our labor cost on the article, whatever it may be, and the further back on the process they go, the more money that would cost.

If you take our word for this, then of course the law is not any good. You have got to have inspectors, because we are no more honest than anybody else. You take this Amalgamated Association scale that Garland refers to. That is the strongest iron and steel union that ever existed. Right in their footnotes they say to us "You shall not allow a man to puddle over 2,700 pounds of iron a day." They want to limit the output. Well, 2,700 pounds is a pretty fair day's work on a hot day for a puddler, and I will guarantee our puddlers themselves, members of the union, are averaging over 3,000 pounds. I tell you, gentlemen, you can no more limit the aggressive man than you can fly, and we do not want to limit him, in my judgment. The fact of the matter is that to-day we have no young men coming up. They are kept at school so long that we can not get them. I want you to understand what I mean by this if you can.

There are certain lines of work in a mill that after a young fellow gets to be 17 or 18 years of age he never gets adapted to. He has to start in at 15 or 16 years old, and I have a place to-day in Youngstown for three good, lively, young superintendents, if I can get them, that have come up through the line and know what they are doing. I can not get them. For God's sake don't legislate to stop a boy working. He is not going to kill himself.

Mr. SPALDING. What proportion of that output does the Government consume?

Mr. JENKS. It is very small in the mills that I govern. The fact of the matter is, sir, we do not care for Government work. The restrictions are so great around it now that it is almost impossible to comply with them, and you are making it ten times worse.

Mr. CALDWELL. Mr. Jenks, if this bill provided for a universal eight-hour day instead of an eight-hour day on Government work only, would you be opposed to a universal eight-hour day or in favor of it?

Mr. JENKS. I would be opposed to it. I came to America when I was twenty-one years of age in the pursuit of happiness. I am happier when I am at work, and I want to work more than eight hours a day. From my own observation both in Great Britain and in America I think the more you leave all classes of labor untrammelled, the better. America has got to supply the world for some years with steel. She ought to supply the great bulk of it. She can not do it if you keep raising the prices. I say that ten hours or eleven hours' work in a mill under these present conditions is only good, healthy exercise.

Mr. CALDWELL. How many hours a week do your employees work, Mr. Jenks?

Mr. JENKS. That would vary a great deal. Our men will go in the mills some days and they will get their turn's work out in seven or eight hours. The next day they may be there eleven and a half hours.

Mr. CALDWELL. Is that on piecework, or not?

Mr. JENKS. Piecework. Our day laborers, machinists, and all that class of mechanics, work ten hours—fifty-four or fifty-six hours a week.

Mr. HUGHES. What particular class of mechanics do you think would be enabled to work satisfactorily under the provisions of this bill?

Mr. JENKS. Do you mean in the course of manufacture of steel?

Mr. HUGHES. Yes.

Mr. JENKS. I do not know a man who would, except an office man or something of that sort.

Mr. HUGHES. What about a machinist? Is there anything to prevent him stopping at a certain time?

Mr. JENKS. That all depends on what he is on. You see, we employ very few machinists, that is, in the mills that I govern. We are more of a producer of raw products. It would interfere very much in a machine shop.

Mr. HUGHES. Why?

Mr. JENKS. For this reason: Suppose you are boring a cylinder or a long shaft, you know as well as I do that the last cut on a long cylinder has got to go from one end to the other before they can stop that lathe, in order to get a perfect cylinder, and every time you change your man you run the risk of getting a variation in the diameter.

Mr. HUGHES. Would it be detrimental to the work if a man stopped to-night and started in the morning?

Mr. JENKS. Yes, in a case of that sort, because the larger the casting is the warmer it gets in the operation of cutting. To-morrow morning you have a different-dimension piece of iron to work on. It is absolutely cold.

Mr. HUGHES. That applies now, does it not, to ten or twelve hours a day. The same objection would apply, would it not?

Mr. JENKS. Yes, if you stop. If we are working twelve hours and you make it eight hours, you give us one-third more trouble.

Mr. HUGHES. What would you think of a provision in this bill that permitted a man to work as many hours as might be necessary to complete the operation in which he was engaged, and to credit him with overtime for all time in excess of eight hours?

Mr. JENKS. That would not be as objectionable as it is now. We would know where we were. Now we do not. Of course, the Government has a right—I do not know whether that is the proper word, as I am not an attorney but a mill man—but anyway the Government can dictate, and should be able to say how much a man should earn or how much we shall pay a man while he is working for us but the Government pays the bill.

Mr. CONNOR. You claim that in your work now you have certain kinds of work that a man remains at from the beginning to the end of it.

Mr. JENKS. Oh, yes; in the different operations.

Mr. CONNOR. What is the longest time?

Mr. JENKS. Let me see. A puddler will get a heat out in an hour and three-quarters under ordinary time. You see, I am not govern-

ing mills that make the largest class of steel, such as armor plates and that sort of thing. I am operating smaller mills.

Mr. CONNOR. So far as the puddler is concerned, there would not be any trouble, then, with the eight-hour law?

Mr. JENKS. He would have to work for a good deal less money, and I do not know how I can change it.

Mr. CONNOR. I mean so far as finishing a job that he begins on, if it only takes an hour and a half or two hours.

Mr. JENKS. An hour and three-quarters. Suppose he is working under this bill, and in five minutes quitting time will arrive and he finds he can not make it, and the relay man is not there. What are we to do with that iron? It becomes chilled in the furnace and we have got to take the furnace down to get it out. But supposing his man is there to take his place. He does not know how that iron has acted during this hour and three-quarters process. He does not know where to look for the weak spots. In the case of a bill like this, we would not allow a puddler to charge for that unless we were satisfied he could get it out in eight hours. But there is another thing besides puddling five heats of iron in a puddling furnace. He has to clean his fire grate and keep a fire. He has to keep a bed of ore around his furnace. He could get out his day's work of puddling 2,700 pounds of iron provided he did not have to do this work; and Mr. Williams, when I talked with him about it, said "I was not talking about fixing and cleaning grates and firing up again." I said, "Well, do you call that child's play? That is the hardest part of it." He was right in what he said, but he was misleading.

Of course there is very little puddling done for the Government. It is practically in rivet rods, stay bolts, and we make quite a little iron occasionally of different sections for some of the gunboats. Ninety-nine per cent, possibly, of Government work is done at our Homestead works, and Mr. Hunt is here to talk about that. He is better able to do so. I am talking more on the smaller lines of work.

Mr. GILBERT. I understood you to say that your men worked ten hours a day?

Mr. JENKS. That is the mechanics and day laborers and that sort of thing. A good deal of that sort of labor is on a tonnage basis.

Mr. GILBERT. Is there any difficulty in enforcing the ten-hour regulations?

Mr. JENKS. Oh, no, sir.

Mr. GILBERT. What percentage of your employees work ten hours a day?

Mr. JENKS. At a rough estimate I should think possibly 55 to 60 per cent, possibly a little more than that.

Mr. GILBERT. How long do the others work?

Mr. JENKS. They work anywhere from eight to twelve hours. It all depends on atmospheric conditions, whether the furnaces are working fast or slow, whether they can get their iron or steel hot in there or whether they have to wait for it, or whether the orders are running good or bad, making a great many changes of sizes on the mill, and all that sort of thing. I should think that would average probably, in actual work, not more than nine hours.

You take some of our mills that roll the barrel hoops for the Standard Oil Company, that roll the cotton ties for the South. Those mills commence operation at 5 o'clock in the morning. They stop at 7 until

7.45, giving the men three-quarters of an hour for breakfast. Between that and noon, at any time that is most convenient, they have fifteen minutes to spare. At 12 o'clock they go to lunch and return and commence at 12.45. Between that and 4 o'clock, at some convenient time, they stop again for fifteen minutes. So that the mill is in operation eleven hours, according to the generally accepted term, but they are really working nine hours.

Mr. GILBERT. Do they all stop for the fifteen minutes?

Mr. JENKS. Yes, sir; the whole crew.

Mr. GILBERT. Why could they not stop for good?

Mr. JENKS. At the end of that fifteen minutes?

Mr. GILBERT. What I am trying to get at is this proposition. Your argument is that it is impossible or impracticable to stop operations at the expiration of eight hours?

Mr. JENKS. Yes.

Mr. GILBERT. But you do stop operations and the whole crew are given a recess for fifteen minutes?

Mr. JENKS. Yes, sir.

Mr. GILBERT. What is impracticable about extending that recess over until the next day, at the expiration of the eight-hour day's work?

Mr. JENKS. One reason is that we would have our machinery lying idle the balance of the time; but the mill that I use as an illustration never has and I suppose never will make a ton of Government iron. I would like you to understand the difference between the Government requirement and the general trade requirements.

Mr. HAYDEN. If I may interrupt you there one moment, Mr. Jenks. As I understand it, this fifteen-minute recess is taken at a convenient time when the man can abandon his work without prejudice to the outcome of it. Is that the case?

Mr. JENKS. That is the idea; and when I say the mill stops for fifteen minutes, possibly it would be better if I said the rolls stopped for fifteen minutes. The furnaces are going to run just the same, and the men in charge of the heat of those furnaces know the class of steel coming along through their furnace; and when I said fifteen minutes, there is quite a number of young fellows working in these mills, 16 and 17 years old, who always want to take a little bit of lunch. That is why we stop for fifteen minutes, just to give them a breathing spell. It is not that they abandon the mill or that they abandon charge of the mill or of the steel in the course of operations.

Mr. GILBERT. At the expiration of ten hours they do stop work for the day?

Mr. JENKS. At the end of eleven hours the night crew comes on—the second relay.

Mr. GILBERT. But I understood you to say a large percentage of your men work ten hours a day.

Mr. JENKS. Yes.

Mr. HAYDEN. You mean two shifts, do you not—a day crew and a night crew?

Mr. JENKS. Not in the labor I speak of—of ten hours. That is common labor and machinists, and that sort of thing. We work two crews on this eleven-hour turn.

Mr. GILBERT. But as to all those laborers who work ten hours a day, there is nothing impracticable about reducing that crew or that



percentage of your employees to eight hours a day, so far as the operations of the plant are concerned?

Mr. JENKS. No; providing we could get enough work to keep those men going on Government work, but I do not see how it could be practical to work two hours a day on Government work and eight hours on other work.

Mr. HUGHES. You do not do any great percentage of Government work, Mr. Jenks?

Mr. JENKS. No, sir. Of course we do a great deal of Government work indirectly.

The ACTING CHAIRMAN. This is really the question they seem to want to know. Leaving out everything else, would you have any difficulty in arranging to have these ten-hour men reduce their time to eight hours per day?

Mr. JENKS. For Government work, do you mean?

The ACTING CHAIRMAN. No; for doing the work?

Mr. JENKS. No.

The ACTING CHAIRMAN. Not taking into consideration the question of wages or anything else.

Mr. JENKS. Certainly it is possible. Anything is possible.

The CHAIRMAN. I did not ask that. Would you have difficulty? Is there any reason why you could not establish an eight-hour day for these day laborers, leaving out all question of what their wages would be on a reduced day and all those things?

Mr. JENKS. There would be so much agitation with the other men, who had to work longer and so much longer, that we would never be able to do it.

The ACTING CHAIRMAN. You say the average there is nine hours?

Mr. JENKS. I said actual work. I mean actual employment. It brings us right back to this eight hours. When we generally speak of an eight-hour day we do not mean exactly eight hours. We mean eight hours and a half, say.

The ACTING CHAIRMAN. That is the proposition involved in this question. When you speak of a ten-hour day you do not mean exactly ten hours.

Mr. JENKS. No, sir.

The ACTING CHAIRMAN. If you required them they would work half an hour later?

Mr. JENKS. Yes, sir.

The ACTING CHAIRMAN. If there is any extra work?

Mr. JENKS. Yes, sir.

The ACTING CHAIRMAN. In your shop is there any reason why you can not make that ten-hour day an eight-hour day, not taking into consideration what the compensation should be, or anything of that kind?

Mr. JENKS. Do you mean eight hours absolutely, or eight hours and five minutes?

The ACTING CHAIRMAN. Eight hours, just exactly as you call it a ten-hour day now.

Mr. JENKS. No; in some positions there is no reason why we can not do it.

Mr. CONNOR. Could you make it absolutely eight hours?

Mr. JENKS. No, sir.

The ACTING CHAIRMAN. Leaving out all question of compensation?

Mr. JENKS. No, sir.

The ACTING CHAIRMAN. You could as to ordinary laborers?

Mr. JENKS. We could as to a few men.

Mr. GILBERT. You could make it an eight-hour day in the same sense you call it a ten-hour day?

The ACTING CHAIRMAN. You call it a ten-hour day. That does not mean they must stop at the end of ten hours, but that ten hours constitutes a day's work. That is it?

Mr. JENKS. Yes; in common labor.

The ACTING CHAIRMAN. With that very same class, is there any reason, leaving out the question of compensation, why you can not fix for that class the day at eight hours? We are asking for information.

Mr. JENKS. Just the few men that are working on Government work?

The ACTING CHAIRMAN. You say about 55 per cent?

Mr. JENKS. I do not see why we can not.

The ACTING CHAIRMAN. That is what we want to know.

Mr. JENKS. But we can not handle the other men.

The ACTING CHAIRMAN. That is not the question at all.

Mr. HAYDEN. As I understand, that would drive you out of the foreign markets and prevent you competing with domestic concerns who do not take Government work.

Mr. JENKS. Yes, sir; it would mitigate against us very seriously. It is impossible to stand here and explain to you how and where it can be done—how and where it can hurt us all through our organization.

Mr. SPALDING. Let me see if I understand you correctly. When you were explaining the operations, you said it would be impossible to stop exactly on the minute. You were explaining then one kind of work, while just lately you have been explaining the hoop-steel works, which is another proposition. Is that it?

Mr. JENKS. Yes; I brought that up as an illustration of our regular work, you know, outside of Government work—open-market work. I do not see how you can work the two together.

Mr. HUGHES. How many firms build battle ships, Mr. Jenks?

Mr. JENKS. I am sure I do not know, sir. I am not acquainted with the shipbuilding industry very much. I do not think I have anything further to say, gentlemen, unless you ask further questions.

Mr. HAYDEN. There is one question I would like to ask you, Mr. Jenks. You touched on the point of the loss and increased expense that would be entailed if you put your plant on the eight hours, and you did not give in any detail what would be this increase of loss. I suppose it would be loss of material.

Mr. JENKS. Between 8 and 10 per cent.

Mr. HAYDEN. Do you mean in material?

Mr. JENKS. Oh, in the material?

Mr. HAYDEN. In spoiled material.

Mr. JENKS. You could not estimate it. If you had to work to an actual eight-hour law, it would amount to a very great deal at different times—a very great deal. For instance, you get iron or steel in a molten condition. You must attend to it, or else you have got a furnace full of cold steel. It means thousands and thousands of dollars to take that furnace down again.

Mr. SCHULTEIS. May I ask you one question, Mr. Jenks? You say you have two shifts of eleven hours a day working. Would it be more impracticable to have three shifts at eight hours each?

Mr. JENKS. I do not understand you.

Mr. SCHULTEIS. You say it is practicable and at present is being done. That is, that you work two shifts at eleven hours each. You keep them busy cleaning the furnaces afterwards, and so on, so that they practically take up the entire twenty-four hours. How would it be more difficult to employ three shifts at eight hours each and take up the twenty-four hours—in what respect?

Mr. JENKS. It is a much more difficult thing in every respect. You have got three gangs to handle instead of two. You have got a loss every time you stop your mill. Every time you change a crew you have a loss.

Mr. SPALDING. Right there, would that necessitate stopping the mill every time you changed the shift?

Mr. JENKS. Yes; as soon as one man who is in charge of a mill goes off and the other man comes on. Take an ordinary guide man that goes in. He will spoil the first one or two or three rivet pieces before he gets the hang of his mill.

Mr. MADDOX. What would be the additional cost of these three shifts instead of two?

Mr. JENKS. If you want to take an eight-hour day instead of ten, that would be a difference of a fifth—which is it? As far as the actual labor is concerned we would not begin to cover our loss of tonnage and our loss of steel, and a good many other things, by making these continual changes.

Mr. HUGHES. What is your product mostly used for?

Mr. JENKS. We make a great deal of material for small structural work and for agricultural implements and for nuts and bolts. Under this bill we would make round rods of iron to be made up into nuts and bolts for the Government.

We do not make the wire, but the raw product, and it is sent to the bolt man up in New England cities, or to Cleveland, or Buffalo, and he makes the bolts for the Government. We have made that iron and steel according to the specifications of the Government, so far as the quality of the iron or steel is concerned. Now, what is that bolt man to do? Is he required to take our word that no man in our employ has worked on that steel or iron for over eight hours, when we are absolutely separate companies?

Mr. HUGHES. With whom have you a contract that would cover a case of that kind?

Mr. JENKS. We have contracts with all of the bolt men.

Mr. HUGHES. Is he subletting a Government contract to you or is he ordering stock from you?

Mr. JENKS. Up to the present time, unless this bill affects it, we should not know whether it was Government work, unless a special grade was specified and ordered. For instance, we might make for you common nuts and bolts, and then again your engineers might want a very high grade of steel, and might want the bolt to come up to a very rigid chemical and physical specification. Then we would know it was Government work.

Mr. HUGHES. If the Government should contract with a manufac-

turer to do some work in which he used your nuts and bolts, would he subcontract with you or would he order from you for stock and ask you to get him out a specially high grade of material?

Mr. JENKS. The nut and bolt man will send in his orders for the amount of tonnage he wants of just the ordinary grade of bolts of steel or iron. Occasionally we do get orders, and are often asked to bid on steel and iron of a high grade and to comply with these rigid specifications. Where the nut and bolt men order material from us for the use of the Government we would know it, because we would have to stand these rigid specifications, but for an ordinary, common, everyday supply we would not know it.

Mr. O'CONNELL. You spoke about the operation of boring a cylinder, and referred to the fact that the one operation might not be completed in a certain time, and that a change or a stopping of the machine would be injurious to the boring that was being finished. As a practical man and a machinist I agree with you that is correct. But what danger is there in changing the man if the machine continues its operation?

Mr. JENKS. I can only answer you by saying that I am not a practical machinist. I am here as a steel and iron works operator, and I only mentioned that matter because I know in our machine shops if we had a hydraulic cylinder in process of construction one man would run it through even if it took him twenty-four hours. I will admit that I do not know the technical points in regard to this matter.

Mr. O'CONNELL. There is no danger in changing the man during the operation. The tool is still completing its operation, whether it takes one hour or twenty-four hours.

Mr. JENKS. It never changes.

Mr. O'CONNELL. The tool never changes, and by the changing of the man the operation of the tool would continue as set.

Mr. JENKS. So far as I am concerned, I am not interested in that part of the matter. I am interested, purely and simply, in the manufacture of steel, and I do not know anything about machinists except that I know when they do their work right.

Mr. HAYDEN. But you know they do not make the change in actual practice, and that there must be some mechanical difficulty in the way of doing so.

Mr. JENKS. I know that they do not make it, and that we can not possibly avoid these things.

Mr. O'CONNELL. Would one man have to continue working twenty-four hours in that case, if it took that length of time?

Mr. JENKS. I have seen them work thirty-six hours on a big steam cylinder, 32 inches—5 feet deep.

Mr. O'CONNELL. Did he have any time for recreation?

Mr. JENKS. He could go away for three or four days after that job was done, if he wanted to. But those are exceptional men. Those are the men who do not like to have to stop work when the hand of the clock gets on the minute.

Mr. CALDWELL. Would an exact ten-hour day incommode you as much as an exact eight-hour day?

Mr. JENKS. Yes, sir; it would. The principal thing to which I object in this bill is that I can not find where we have got to begin.

Mr. GILBERT. Suppose you begin at the beginning.

Mr. JENKS. Then we have got to go clear back to the mines.

Mr. GILBERT. Suppose you begin with whatever you first do in carrying out your work; would there be any difficulty about that?

Mr. JENKS. Yes, sir; it would be impossible for us to know how far it applied. Suppose you take a piece of steel. It has got to go into the furnace and be heated. Does the provision of this bill apply to those men who are reducing that piece of steel, and does it apply to the man who shovels the coal to make the steam?

Mr. GILBERT. Suppose it should apply to both?

Mr. JENKS. Then we would be up in the air.

Mr. GILBERT. I am only asking you this for information.

Mr. JENKS. I tell you honestly I can not see how we can do it. Take the Homestead Steel Works, where there are probably from 8,000 to 10,000 men, or take my largest plant, where we have about 800 men at work. There is never a single day upon which every man is there on the minute. That is why we have to employ the check system. But according to this law every man must be promptly on time, or you are subjected to an ever varying loss. Of course, if we take advantage of this emergency clause we might call everything that happens an emergency, and so get around one of the objections to this bill. Every day we have men who are not there promptly on the minute, and if the man who was working on an eight-hour shift could not go ahead five, ten, fifteen or thirty minutes, it would mean a loss of an amount of money which could not be computed.

Mr. GILBERT. You regard ten hours as a day's work, but you do not adhere rigidly to the enforcement of that rule?

Mr. JENKS. No, sir; you may take the machinists, or even the common guineas, as they are called, and they work ten hours a day; but when the mill is running very slowly they may work an hour overtime; but they are paid for it. We get into a position with reference to our product every day, in some part of the work, where some man has got to work longer than ten hours.

Mr. GILBERT. Could you not adjust that, as a mere question of wages, so as to make eight hours an ordinary day's work, and in case of an emergency, when they were required to run over half an hour or an hour, could you not give them additional compensation, say, a wage and a half, for the excess time?

Mr. JENKS. Why should you?

Mr. GILBERT. I am asking you.

Mr. JENKS. Certainly we can do it and charge it up to our customer. There is no reason why we can not do that.

Mr. HAYDEN. As I understand you, such things are not properly termed emergencies in the operations of your plant?

Mr. JENKS. No.

Mr. HAYDEN. Then it is a common thing for such circumstances to arise?

Mr. JENKS. Yes; you can not avoid it. We can not keep relays of men there and have them standing around because we may need them for fifteen minutes or for thirty minutes.

Mr. HAYDEN. The necessity for such extra work at the end of ten standard hours arises constantly, and such necessity could not be spoken of as an emergency.

Mr. JENKS. No, sir. There seem to be a great many people who are afraid that our rising generation will be overworked. I have been

around a mill myself for forty-eight hours, and have never left it; but of course that was in an emergency. In England, from the time I went into the mill at 12 years of age until I left at 22, I worked on a twelve-hour shift all the time. I was always in the mill twelve hours, and on Saturday I used to work for nothing, so that I could learn to do something else than the regular routine.

Mr. GILBERT. As the hours have heretofore been shortened is there any lessening of the product of labor by reason of the shortening of the hours; has the increase in the efficiency and the interest of the laboring man been, in some measure, compensatory for the shortness of the hours?

Mr. JENKS. Do you mean so far as manual work is concerned, or so far as machinery is concerned?

Mr. HAYDEN. Speak of both in your answer.

Mr. JENKS. So far as the man is concerned he can not possibly do as much work in eight hours as he can in ten, and I would rather have his ninth and tenth hour in the mill than I would have his first three hours in the morning, every time. I am speaking from experience. When I worked right with this Amalgamated Association, and was a member of it, I made more money for myself during the last run than I ever did on the first two.

Mr. GILBERT. The general trend of civilization is toward shortening the hours of labor, and yet at the same time we are becoming more and more efficient as producers and manufacturers.

Mr. JENKS. That is because of the introduction of machines and improved machinery. It is not because of shortening the hours of labor.

Mr. GILBERT. Does the superior intelligence and fitness of the employee have anything to do with it?

Mr. JENKS. I have just told you that I am looking for three bright superintendents and I can not find them. Of course they have got to have the brain and the nerve to take the responsibility.

Mr. HAYDEN. How do you account for the fact that although they work shorter hours to-day than they did twenty-five years ago, the product of the mill is, perhaps, greater?

Mr. JENKS. That is due to different methods of manufacture and to the use of improved machinery. We know how to make a furnace so that it will work faster. We have learned how to reduce our steel a great deal faster.

Mr. HAYDEN. To what extent does the improvement in machinery act as a factor in that regard?

Mr. JENKS. In some cases it operates to the extent of 99 per cent; but in some small furnaces, such as I represent, not quite so much.

Mr. HUGHES. Where did you work in England?

Mr. JENKS. I worked with Isaac Jenks & Sons, Wolverton, England, and also in the Birmingham district, the last two years I was there.

Mr. HUGHES. Were you related in any way to Isaac Jenks & Sons?

Mr. JENKS. I am a nephew of Sir Isaac Jenks.

Mr. HUGHES. Do you know the Thames Shipbuilding and Engineering Company?

Mr. JENKS. No, sir; I only know them by repute.

Mr. HUGHES. Are they a firm of standing?

Mr. JENKS. I should think so.

Mr. HUGHES. Have they not built a number of battle ships?

Mr. JENKS. I believe so.

Mr. HUGHES. If you know that they say that under the eight-hour day their product has increased and the condition of the men has improved while the cost per ton has been decreased, what would you say?

Mr. JENKS. That would all depend on the efficiency of the machinery. It is not because of the increased efficiency of the men.

Mr. HUGHES. Suppose that they say it is because of the efficiency of the men, what would you say to that?

Mr. JENKS. I would say I do not believe that.

Mr. HAYDEN. In that shipbuilding firm is the eight-hour system a hard and fast one, such as is provided for by this bill?

Mr. JENKS. I do not know.

Mr. HAYDEN. Is it not only a unit of measure, which the company may increase or decrease to suit the necessities of the occasion?

Mr. JENKS. I believe that is the case.

Mr. HUGHES. I will say, for your information, that the eight-hour day, as I read the report, was put into operation by the firm voluntarily and in competition with other competing concerns.

Mr. JENKS. They must have better machinery than the other fellow if they compete with him. You can only get full efficiency out of a machine.

Mr. O'CONNELL. I would like to ask if there is any labor union which prohibits these men from working overtime?

Mr. JENKS. There is a footnote to the statement of Mr. Garland to the effect that the men will not work over eight hours in a mill, or that he shall not work over eight hours. If there is any other provision of that kind I can not find it. But the labor unions do try to restrict the output, as is illustrated by what I said in regard to the output of a puddler being restricted to 2,700 pounds a day. They would also, if they could, control the hours of labor, and just as soon as they do that we might as well give up.

Mr. SCHULTEIS. Do not all agreements provide for overtime and overpay?

Mr. JENKS. Yes; I believe they do.

Mr. SCHULTEIS. Would not that be possible under this bill?

Mr. JENKS. No; this bill absolutely says eight hours is a day's work, and it does not matter what the exigency may be.

Mr. HUGHES. In the matter of restricting output, is it or is it not the custom of manufacturers, when market conditions warrant, to restrict the output?

Mr. JENKS. Yes; but not in the way they want to restrict the output.

Mr. HUGHES. It comes to precisely the same thing in the end.

Mr. JENKS. Yes; but if you take a period of time when we are very busy we can not produce enough steel for the requirements of the country. The consumption requires more than 20 per cent more than we are able to supply, and yet they want to restrict it.

Mr. HUGHES. What causes the manufacturer to restrict the output, or what causes you as the representative of the manufacturer, to restrict the output?

Mr. JENKS. Because we have nowhere to send the stuff, and we can not find anybody's money.

Mr. HUGHES. Do you not think that under the same circumstances the men would be justified in restricting the output if there was no market for labor? Would you not acknowledge that they have the same right to restrict their output if there was no market for their labor that you reserve to yourself?

Mr. JENKS. Why, yes; because we can not make men work if they do not want to.

Mr. HUGHES. Ethically they would have the same right as the cotton manufacturers or the textile manufacturers have to cut down the hours of labor or to lay off this mill or that mill to keep from overloading the market?

Mr. JENKS. I do not see why they should not.

Mr. HERBERT. You made a very interesting statement a few moments ago, as I first came in, about having two classes of men. You said that you had sixteen men working eight hours a day, and that those men really and practically only worked four hours a day.

Mr. JENKS. Yes, sir.

Mr. HERBERT. Why is that?

Mr. JENKS. It is because the work is very hard, so that we consider that if a man works half an hour it is better to have him rest thirty minutes than to go on and work continuously. We think we get more work out of him.

Mr. HERBERT. That is, according to your idea, four hours represents the maximum of efficiency?

Mr. JENKS. Yes, sir.

Mr. HERBERT. Is it for the same reason that you fix the standard day at, say, ten hours; that is, because your experience has shown that it represents the maximum of efficiency as a standard day?

Mr. JENKS. Yes, in some lines of work.

Mr. HERBERT. Has not experience brought you to that? You say you work twelve hours a day.

Mr. JENKS. I never worked twelve hours a day in America.

Mr. HERBERT. We have now come to the ten-hour day. Would you not come to the eight-hour day if you believed that was best? Did you not stop at the ten-hour day because experience has demonstrated that ten hours, as a standard, represents the maximum of efficient work?

Mr. JENKS. Yes.

Mr. HERBERT. All the employers in this country would be glad to come to a nine-hour day if they thought they could get more work done in nine hours.

Mr. JENKS. If we thought it was better for us they would; yes.

Mr. HERBERT. You would be glad to come down to nine hours?

Mr. JENKS. Yes, sir; we will adopt anything that will better us.

Mr. HERBERT. When all of these manufacturers are insisting that ten hours should be a standard day's work they do so simply because that represents the experience of all these various manufacturers?

Mr. JENKS. Yes, sir; in my judgment.

Mr. HERBERT. And for exactly the same reason that you have some men working four hours you have the majority of your men working ten hours—that is, because they can do it?

Mr. JENKS. Yes; and do it without hurting themselves.

Mr. HUGHES. I am not going to hold you responsible for all of these statements, because, to say the least, you were led a little bit.



Mr. JENKS. I know I was.

Mr. HERBERT. I admit the examination was leading, but I wanted to lead up to the point of asking him if I correctly understood his argument.

Mr. HUGHES. You never saw an eight-hour day put into practical operation?

Mr. JENKS. I have seen it in spots.

Mr. HERBERT. Have you seen an absolute eight-hour day put into operation? I do not mean, of course, an absolute eight-hour day, but a day where eight hours was honestly and fairly considered to be the unit of a day's work. Have you ever seen such a unit put into operation to an extent so that you could judge of the respective merits of an eight-hour day and a ten-hour day?

Mr. JENKS. No, sir.

Mr. HUGHES. So that you can not say that of all the hours from one to twenty-four, ten hours is the ideal day?

Mr. JENKS. No; different conditions, different locations, and different climates have a great deal to do with it.

Mr. GILBERT. I infer from the colloquy between you and Mr. Secretary Herbert that the number of hours at present adopted is the result of your experience, and is the best and most efficient number of hours for a workingman to be employed in any calendar day. If that is true the difficulty with this bill is not that it is impracticable of enforcement, but arises from the fact that you, exercising your best judgment, think that eight hours a day is not a sufficient number of hours of work.

Mr. HUGHES. He does not say that.

Mr. JENKS. So far as this bill is concerned, no.

Mr. HUGHES. As I understand the gentleman, he does not hazard the opinion as to the relative merits of an eight-hour day and a ten-hour day as an ideal working day.

Mr. JENKS. Not as to the sentimental end of it. As to the practical end of it and the cost of manufacture you know it means a great deal more.

Mr. MADDOX. Do you say it means a great deal more cost?

Mr. JENKS. Yes, sir.

Mr. MADDOX. The consumer has to pay that, I presume.

Mr. HUGHES. You say that it means a great deal more cost, but you have never tried an eight-hour day.

Mr. JENKS. My dear sir, from our own experience we know what would be the result of coming to an eight-hour day.

Mr. HUGHES. I refer you again to the statement made by the Thames Shipbuilding and Engineering Company, wherein they said that the net cost per ton was reduced \$9 on an eight-hour-day basis.

Mr. JENKS. That is not on account of reducing the laboring hours of the men one hour, but it is on account of their improved machinery.

Mr. HUGHES. Suppose there were other firms competing with them in the market having the same opportunity to put in high-grade machinery, would it not at least raise the presumption that there is something in the increased ability of the men when they work eight hours a day?

Mr. JENKS. Yes; it might be so.

Mr. HUGHES. There is at least a presumption to that effect?

Mr. JENKS. Yes; there may be, but I do not take it to be conclusive by any means.

Mr. HUGHES. I do not say it is conclusive and I do not ask you to say it is conclusive.

Mr. MADDOX. I understand that if these conditions are put upon you the price of the product you turn out must be increased.

Mr. JENKS. They must necessarily be increased. Somebody has got to stand it. We are not in business for charity.

Mr. MADDOX. It is a three-sided question, involving the manufacturer, the laborer, and the consumer?

Mr. JENKS. Yes, sir.

Mr. HUGHES. I will ask you if you know how the Government navy-yards, which I presume have to do a great deal of work the original contractor has to do, get along under the eight-hour day?

Mr. JENKS. I do not know, sir; I have never been in a navy-yard.

Mr. HUGHES. You have never heard that they had any trouble, have you?

Mr. JENKS. I do not know anything about it.

Mr. HUGHES. It would bear upon them much more than it would upon you, would it not?

Mr. JENKS. I do not think so.

The CHAIRMAN. Does the navy-yard compete with anybody?

Mr. JENKS. Not that I know of.

Mr. O'CONNELL. Does not the Washington gun factory, which is recognized as a navy-yard, compete for the building of guns with the steel companies?

Mr. JENKS. I do not know.

Mr. JAMES H. HAYDEN. I can answer that it does not.

Mr. JENKS. I say I do not know about that.

Mr. CALDWELL. At a given wage per hour for your skilled laborers, say 50 cents per hour, would you prefer to have your mechanics and laborers work ten hours a day or eight hours a day?

Mr. JENKS. Yes, sir; we would prefer to have them work ten hours per day, because we do not change so much. You must remember that when a man comes to work in the morning he has got to change his clothes and put his overalls on and light his pipe and go down to the water-closet. Under the eight-hour system we have got three lots of men to do that instead of two, and you have no idea how it would increase the expense; and yet I do not know that I could sit down and compute it or come anywhere near it.

Mr. CALDWELL. You would prefer, at 50 cents an hour, to have the same man work ten hours a day for \$5 rather than to work eight hours a day for \$4?

Mr. JENKS. Yes; and if I was a contractor I would rather have that man's last two hours than his first three hours, every time.

Mr. HAYDEN. Let me see if I understand your criticism of this bill correctly. Your main objection to it is that it fixes an inelastic and invariable limit upon a day's work, and does not merely establish a unit of measure to govern compensation for the work.

Mr. JENKS. That is right, sir. If there is any part of this bill that I do understand—and I will admit that I do not understand it—it is that it provides for a rigid eight-hour day. It does not mean eight hours and one minute, but it means eight times sixty minutes—eight hours.

Mr. HAYDEN. It is that which would subject you to loss, inconvenience and difficulty?

Mr. JENKS. Yes.

Mr. HAYDEN. Mr. Chairman, our next witness will be Mr. A. R. Hunt, general superintendent of the Homestead Steel Works.

### STATEMENT OF A. R. HUNT, OF MUNHALL, PA.

The CHAIRMAN. Mr. Hunt, will you state your name and occupation.

Mr. HUNT. My name is A. R. Hunt. I am general superintendent of the Homestead Steel Works. I reside at Munhall, Pa.

I may say, in passing, that I came to the Homestead Steel Works about sixteen years ago, and was employed as a mechanic. Since that time I have filled various positions in the mill, in the practical part of the work, until I have come forward up to the occupancy of the position I now hold. I have read the arguments and evidence submitted to the committee at its previous hearing, and from my study of the case and my experience on both sides of the question, as a manufacturer and a laborer, I am convinced that the operation of a compulsory eight-hour law would be very unsatisfactory and would be a gross injustice to everyone, especially to our workingmen.

The law of supply and demand practically regulates all things. The supply of labor to-day is about equal to the demand. This bill creates a 33½ per cent vacancy at once. This vacancy must be filled, and it will undoubtedly be filled by cheap labor from abroad, which means that the workingman is the one who is going to suffer.

Mr. HUGHES. How do you figure that out? That is a subject that is very near to me and I would like to have your ideas on that point now.

Mr. HUNT. Would you hire a man for \$2 a day if it were possible to hire him for \$1.50?

Mr. HUGHES. In the neighborhood of a million of these people came over here last year. Do you suppose that any more of them will come over, under the operation of this law?

Mr. HUNT. I should think so. If there is a 33½ per cent vacancy in the labor market, there would be an influx of them.

Mr. HUGHES. Do you not think that could be attended to, if it became necessary?

Mr. HUNT. It never has been.

I speak now and here from the standpoint of our Homestead mills. We operate our mills continuously. If we worked on an eight-hour shift we would only have enough men to work for two shifts, and hence we would have a vacancy of 33½ per cent of labor, which must be filled.

Mr. GOEBEL. We are talking now about this bill which refers to Government contracts and which absolutely prohibits a man from working more than eight hours a day.

Mr. HUNT. I know that we could not operate under an eight-hour system on Government work and under a twelve-hour system on other work.

The CHAIRMAN. Do you say that you could not work on Government work on eight-hour shifts and on other work under twelve-hour shifts?

Mr. HUNT. I am positive we could not, and I hope, before I get through that I may be able to explain why it could not be done.

This bill is also unjust in that it seeks to protect only laborers and mechanics. Foremen, draftsmen, and clerks are just as necessary to the output of the work as laborers and mechanics. If laborers and mechanics must be protected, what are you going to do with these other men? That is one point at which great dissatisfaction is going to arise in undertaking to operate under a compulsory eight-hour law.

I would like to ask, Mr. Chairman, if owners are to be allowed to work more than eight hours a day. I do not know whether there is any gentleman here who understands the bill well enough to explain that. We have, at the Homestead plant, about 15 per cent of our employees who are shareholders, and hence are part owners in the corporation. If they should be allowed to work overtime, or longer than eight hours a day, you are going to create dissatisfaction with the men who are not allowed to work over eight hours.

Mr. GILBERT. Why should the fact that the laborer is a shareholder affect this bill in any way? Why should you infer that there would be a license given to a shareholder to work more than eight hours?

Mr. HUNT. Can you legislate how long a man shall work on his own job? Can the Congress of the United States tell you how long you shall push your lawn mower at home?

Mr. GILBERT. I do not see why not.

Mr. HUGHES. If it becomes necessary they could go a great deal farther than that. For instance, they can prevent you from taking your own life or from cutting off your arm.

Mr. HUNT. But they do that in the interests of society.

The CHAIRMAN. Do the shareholders own common or preferred stock?

Mr. HUNT. I do not understand the relevancy of the question, Mr. Chairman. I will say, however, that they own preferred stock, and are very glad to get it.

In adopting this eight-hour system steel manufacturers would be put to an enormous loss, due to defective material caused by the numerous changes of workmen. To furnish steel at the correct temperature the heater or melter at the mills must carefully watch his steel during the entire process, and were the change of crews to take place at the critical period there is no doubt that numberless heats would be lost. The open-hearth department especially operates on a twelve-hour shift. It requires from ten to twelve hours to complete an open-hearth heat.

I do not know that I can explain the process so that all of you can understand just what it means. Steel is charged into a furnace in the shape of pig iron, molten iron, and scraps. All of it must be carefully watched during the entire process. A workman has to familiarize himself with the nature and peculiarities of each heat, and he can only become thoroughly acquainted by continually watching it during the whole process. If the crews were changed just at the time the heat was about being completed the steel would undoubtedly be spoiled, because the men coming on do not understand the conditions that have prevailed all the way through the process.

Mr. GILBERT. Would not that be covered by the emergency feature of the bill?

Mr. HUNT. I do not so understand it. If we can consider the bill to mean that I do not know that we need take another minute of your time, because such an emergency would arise every day.

Mr. HAYDEN. That is to say, you do not consider the word "emergency" and the word "necessity" as being synonymous?

Mr. HUNT. I do not.

Mr. SPALDING. It seems to me that this matter of shareholders working more than eight hours a day was not entirely cleared up. As an individual employer you would have the right to say that nobody should work for you more than eight hours a day.

Mr. HUNT. Certainly.

Mr. SPALDING. Do you not recognize that, in this instance, the Government is the employer, which makes the contract, and that the Government would have the same right as an individual employer to say that it would employ nobody except for eight hours a day?

Mr. HUNT. That might operate as you suggest, provided you had a mill full of Government work and did nothing but Government work.

Mr. SPALDING. I am taking the legal proposition which you advance. With reference to Government work only, would not the Government have the same right to say that it would employ nobody except for eight hours a day as any individual would have to say that?

Mr. HUNT. I should think so.

Mr. HUGHES. Your answer to that was only a joke, was it not?

Mr. HUNT. It was a question that I did not exactly understand. The question came up because we have quite a number of employees who are shareholders.

Mr. HUGHES. How many?

Mr. HUNT. About 1,000.

Mr. HERBERT. When you are working on Government work the laborers and mechanics who are working on it are employed by you?

Mr. HUNT. Yes, sir.

Mr. HERBERT. They are discharged by you, are they not?

Mr. HUNT. Yes, sir.

Mr. HERBERT. They are paid by you?

Mr. HUNT. Yes, sir.

Mr. HERBERT. Then they are your employees and not the employees of the Government?

Mr. HUNT. I do not understand that they are the employees of the Government.

Mr. GILBERT. The Government has the right to control the employer who owns the entire plant and, therefore, the Government would certainly have the right to control the employees of that employer, although he might be a subcontractor or be otherwise connected with the employer. The whole would include all the parts.

Mr. SPALDING. If Mr. Hunt should say that he would employ, as an individual, no one except for eight hours a day, would he not have the additional right to say that he would buy no material on which ten hours a day work was expended, and would not the Government have the same right to say they would buy no material except that upon which only eight hours a day labor was expended?

Mr. HUNT. I presume the Government would have the right to do that. The bill undertakes to cover the ground of subcontractors and any material furnished on specifications for the Government. We buy quite a good deal of nickel for making armor plate. Under the provisions of this bill we do not know how we are going to provide against loss when we buy the nickel from an entirely outside firm. As I understand the law, the contractor is directly liable to the Gov-

ernment for any infringement of this law. How are we going to control the people from whom we buy nickel? How are we going to know whether the nickel people work eight hours a day or ten hours a day upon that particular nickel?

Mr. HUGHES. Can you suggest any improvement that can be made in this bill? I presume you understand what the bill contemplates. If you can make any suggestions in the way of improvements we would be very glad to hear you.

Mr. HUNT. I do not know that I could make any suggestion. Does your remark imply that it is absolutely necessary to pass a bill of some kind?

Mr. HUNT. We want to have as good a bill as possible before us at all times.

Mr. JENKS. I think the principal objection to the bill is that clause which provides that you are not to permit your workman to work over eight hours in any day.

Mr. GILBERT. Every statute is to be given a reasonable interpretation. Do you understand that if you work a minute over eight hours it would be a violation of this law?

Mr. HUNT. I certainly do, as the bill explicitly says so.

Mr. GILBERT. Do you suppose that an employer who, by mistake or inadvertence, permits his men to work a minute or two minutes more than eight hours would be subjected to the penalties prescribed by this bill?

Mr. HUNT. I would like to ask you whether the Government could not collect, under the provisions of this bill, if you work one minute over eight hours?

Mr. GILBERT. This is a penal statute and must have a reasonable interpretation. There must be a guilty intent to violate the law.

Mr. O'CONNELL. Do you hold that there must be a guilty intent to enable this penalty to be collected?

Mr. GILBERT. Yes, sir; there must be an intentional violation of the statute. That is A, B, C law. There must be a *quo animo*, a guilty intent. A mere infraction of the letter of the statute, without a guilty intent, would not subject you to the penalties of the statute.

Mr. CONNER. I do not believe the committee will agree with you on that proposition.

Mr. GILBERT. I am not asking the committee to agree with me. I am merely stating my own view of the law. There is no such thing as imposing imprisonment or fines upon a citizen of the United States, under our system of jurisprudence, without a guilty intent.

Mr. HAYDEN. Is it not merely a breach of contract?

Mr. GILBERT. That is a different proposition. When you come to the question as to the infringement of contracts, that rule does not apply, provided it can be shown that damage has accrued by the violation of the contract. That does not come at all within the purport of this bill.

Mr. CALDWELL. What proportion of your output is taken by the Government?

Mr. HUNT. Last year it was  $3\frac{44}{100}$  per cent, to be accurate.

Mr. HUGHES. Can you tell me what mills produce the greater portion of the Government work? Those are the gentlemen who are mostly interested in this bill, and I do not think we have heard from any of them yet.

Mr. HUNT. I do not know that I am able to tell you exactly who are our competitors. The Bethlehem people and the Homestead Steel Works, the Carnegie system, are the largest concerns I know of who are working on Government work.

Mr. HUGHES. Is there any concern that does practically nothing except Government work?

Mr. HUNT. I do not know of any.

Mr. GOEBEL. About how many men do you employ?

Mr. HUNT. About 7,000. The actual number is 6,696.

Mr. GOEBEL. What are your hours of work?

Mr. HUNT. We operate our mills continuously.

Mr. GOEBEL. You put on two shifts?

Mr. HUNT. We work under the two-shift system.

Mr. GOEBEL. How many hours for each shift?

Mr. HUNT. Twelve hours.

Mr. GOEBEL. That is a day's work?

Mr. HUNT. That is a day's work.

Mr. GOEBEL. Do you pay your men by the tonnage?

Mr. HUNT. Yes, sir.

Mr. HUGHES. You must have quite an advantage in production over the eight-hour mills in England.

Mr. HUNT. We have.

Mr. HUGHES. That enables you to sell your product in competition with the English manufacturers?

Mr. HUNT. Yes; but it is not all due to the twelve-hour system. It is largely due to the improved machinery that we have, which makes it possible for men to be on duty, although not continuously at work, for twelve hours.

Mr. HUGHES. You could use three eight-hour shifts?

Mr. HUNT. It is just possible to do so, but the possibility of using an eight-hour shift means a change of crews at critical moments.

I would like to cite a case or two to show you that it would be impossible to change at exactly the right minute. Take, for instance, a mill that is rolling a plate that would weigh 10,000 pounds, and it has passed through the rolls until it is almost completed. The time limit is up, and the shifts must change. Mr. Jenks has pointed out that it is impossible to change immediately. It requires some little time to make this change, and you have got to do it while that piece is on the table waiting to be finished. The men who come on, in the change of shifts, do not know what changes have occurred in the condition of that material since they left. They do not know what bearings have worn.

They do not know how much the rolls have worn. This piece must be finished absolutely perfect, if it is rolled to a certain weight per square foot, or if it is rolled to a certain gauge. It must come absolutely within the requirements. The tolerance is so slight that it would hardly count. Now, even if you could change instantly, the men coming on would not understand that material well enough to finish it with absolute accuracy, and that occasions loss.

Mr. HUGHES. How do you manage that under the present system? Do you work some of them thirteen or fourteen hours?

Mr. HUNT. If we have trouble of that kind why multiply it by three instead of by two.

Mr. HUGHES. You do get away from that difficulty now?

Mr. HUNT. We do in some cases. It might be well for you to understand that most of the important operations it is possible to complete during the twelve-hour period. Supposing you had dipped out a heat of steel. It is dipped out in an enormous ladle weighing 50 tons, and it is lifted up by a ponderous electric crane.

This crane is 40 or 50 feet in the air. It is carried forward to the mold set to receive the steel for the purpose of making armor plate, for instance. The crane is perhaps 1,000 feet from a landing where it is possible for the man to go up and down. The steel is partially poured, and the eight-hour law compels you to stop at a certain minute. Tell me how you are going to get the man down and another man up under those conditions.

Suppose that you could change your man at that time. This is a skilled operation upon which you can not put every workman. You have got to have a man operate that crane who is thoroughly up to his work. Now, suppose the man who is to relieve the man on the crane is not there. His street car is late, or his wife has been sick, or something has happened to prevent his getting there. It may be five minutes or it may be an hour before he comes. It is impossible to go out and pick up another man to relieve the eight-hour man who is on the crane. Would you call that an emergency?

Mr. HUGHES. How would a provision in this bill which would meet that emergency suit you?

Mr. HUNT. It would improve the bill.

Mr. HUGHES. That is what I want to get at. Now, I want to ask you a few questions which you may not feel like answering, but I want you to feel that I am asking them in perfect good faith. Your concern is one of the component parts of the United States Steel Corporation?

Mr. HUNT. Yes, sir.

Mr. HUGHES. It is popularly supposed that by reason of the combination of these various concerns a capitalization of \$400,000,000 was increased to a capitalization of \$1,400,000,000. That was a vast increase, if it be so. Do you think that if you were compelled to share with your men, or if you did share with your men a part of that \$1,000,000,000, by reducing their hours of labor from twelve to eight, it would be a great calamity to your company?

Mr. HAYDEN. Mr. Chairman, I submit that has nothing to do with the consideration of the provisions of this bill.

Mr. HUGHES. One moment. I explained my purpose to this gentleman, and he is the one to make an objection to answering these questions, if he has any.

The ACTING CHAIRMAN. I think it would be more satisfactory to have this gentleman give his views as to the operation of the bill rather than to depart from the bill and go into this general subject.

Mr. HUNT. I could not answer the question, because I am not prepared to say that your premises in the case are correct. I do not know that the capital has been raised, as you suggest.

The ACTING CHAIRMAN. Did you have anything to do with financing the institution?

Mr. HUNT. No, sir; I am purely and simply an operator. I have been a mill worker myself through all grades, and know all about the vicissitudes of a mill worker in a modern mill. I do know that the hardships which you may have been led to suppose exist do not exist.



I would like to tell you that, taking the entire year of 1903, our men, operating continuously, who were there twelve hours a day, only work nine hours and forty-five minutes a day, for the entire year. Those men are operating improved machinery, operated by electricity, hydraulic power, and steam. The men will sit down on a chair, or on a seat provided for the purpose, and will handle steel, although not continuously, for twelve hours, and will probably be just as fresh, or more so, than you gentlemen are who spend your time in your offices.

Mr. GILBERT. How much intermission is given for meals and recreation during the twelve hours?

Mr. HUNT. There is no time set aside for recreation. In most of the mills there is one hour given to the men for meals. Do not understand, however, that that is at a fixed time.

Mr. GILBERT. Is that counted in the twelve hours?

Mr. HUNT. It is counted in the twelve hours. The time for meals is taken as the men can best take the time. Of course, it is not at critical times, and all of them do not take their meals at one time. While some of the men are watching heats in the open-hearth furnaces the other men, whose duties do not compel them to be at their places, stop and eat their lunch. On account of the practice of waiting for the steel to come from the plant, or waiting for it to be heated, there is this loss of time of two hours and fifteen minutes a day out of the twelve hours, and there was that loss during the whole period of 1903.

Mr. GILBERT. What would be the difficulty, except in the matter of expense, of having three relays instead of two?

Mr. HUNT. Under the provisions of this bill the difficulty would be that you would be obliged to change at critical times. Another difficulty would be that unless you would compel every manufacturer in the United States to adopt the eight-hour law, you could not compete with your neighbor who was working twelve hours.

Mr. GILBERT. You do not have to compete with anyone, do you?

Mr. HUNT. Ninety-seven per cent of our work is in competition with our neighbors.

Mr. HUGHES. I want to say that you are the first manufacturer who has come here and said that they were working twelve hours a day, so far as I know.

Mr. HUNT. I do not know of any who are not working twelve hours in our industry. Maybe I do not get out among my neighbors enough; but I do not know any plant that is working on an eight-hour day.

Mr. HUGHES. You have just made the statement here that, under your twelve-hour system, the fact is that the men only work nine hours and three-quarters.

Mr. HUNT. I can explain to you that the men are not overworked. I can not tell you how easily these men will accomplish the enormous task set them. They do not have to do it. We only have three laborers in Homestead, and they are fire, water, and electricity. They are the laborers, and they do the work. A man will lift up 50 tons of steel by just simply lifting a lever. There is no laborious work at all about it. He will take a bar right off the forge and turn it over, end for end, just as easily as you would handle a cigar. I will admit that fifteen years ago this bill might have been necessary; because, fifteen or twenty years ago everything was done by hand, and it was very laborious.

Mr. HUGHES. About how many men would be necessary to operate this plant you have spoken about fifteen years ago?

Mr. HUNT. You could not get men enough to do it.

Mr. HUGHES. Just approximate about the number required to give you the same product.

Mr. HUNT. The same product we are getting now?

Mr. HUGHES. Yes.

Mr. HUNT. It would be utterly impossible to get out the product we are getting out now, because you could not get men enough around the piece. How could you lift ingots weighing 20,000 pounds?

Mr. HUGHES. They did not make them at all then, I suppose.

Mr. HUNT. They did not make this product at that time. Improved machinery, and not the additional work of the workingman, has made it possible to get out the product we do now.

Mr. HUGHES. Explain to me how the workingman of fifteen years ago has benefited by the invention of this labor-saving machinery. What has been their share in the progress of mankind along these lines? Have their hours been reduced in any way?

Mr. HUNT. Their labors have been reduced. Their manual work has been reduced.

Mr. HUGHES. But their hours of labor have not?

Mr. HUNT. No, sir.

Mr. GOEBEL. Has their pay been increased?

Mr. HUNT. There have been increases and decreases. I might tell you that three years ago we installed some new plate mills at Homestead, and they were not efficient. They were improved and the part that was not right taken out, and new parts, improved machinery, put in. The rate that was paid when the mill started obtained until recently, due to the fact that we had this improved machinery.

The wages of the men increased from 50 to 75 per cent, and they earned that increased rate right along for three or four years, before their wages were decreased. I do not think any manufacturer, who has the improved machinery that most mills now have, would for one minute wait for Congress or anybody else to pass a law to protect the men working in the mills from overwork. You will understand that we have certain machines that must do a standard amount of work, and if these men were overworked they could not keep their machines in pace with the others, and we would not wait for Congress to pass a law to prevent these men from working overtime.

Mr. HUGHES. Are there any mills in England of the character of yours?

Mr. HUNT. No, sir; I do not know of any.

Mr. HUGHES. Any nine-hour mills?

Mr. HUNT. I do not know of any continuously operating mill. There may be a great many of them, but I do not know of them.

Mr. HUGHES. Is it not true that all the mills in England that are not nine-hour mills are eight-hour mills?

Mr. HUNT. I am not prepared to say.

Mr. JENKS. I believe that in the mills Mr. Hunt is referring to they work twelve hours a day, the same as they did when I was there as a boy. That of course does not apply to machine shops. I am speaking of rolling mills.

Mr. HUNT. There may be conditions where eight hours in England or some other places would operate more successfully than a twelve-hour shift; but I do not know of any.

Mr. HUGHES. You have not given the English situation any particular study?

Mr. HUNT. No, sir; I have not.

The ACTING CHAIRMAN. Do you sell a considerable part of your product abroad?

Mr. HUNT. Ordinarily, no. In times of depression like the present we cater to the foreign trade.

Mr. HUGHES. That is, you restrict the output so far as this market is concerned?

Mr. HUNT. We restrict the output.

Mr. HUGHES. You do not throw it on the market when you think there is no market for it?

Mr. HUNT. Undoubtedly not.

Mr. HUGHES. That is practically the same thing as the restriction of output by labor.

Mr. HUNT. No, sir.

Mr. HUGHES. Do you not think it is the same?

Mr. HUNT. Not by any means.

Mr. HUGHES. Will you point out the difference?

Mr. HUNT. I think I can. Labor, which is universally paid on the tonnage basis, would undertake to make the run so much per day, and would undoubtedly restrict the output of the mill up to the time that the wage was adjusted and fixed. I do not know whether I make myself clear or not. The workingmen, in restricting the output of the mill, will not let the tonnage go over, because the average tonnage per day fixes the rate of wages. Now, when the operator restricts the operations or restricts the tonnage, he only restricts it because there is no market in which to get rid of it.

Mr. HUGHES. Suppose there is no labor market in which to get rid of the labor that is offered, and consequently the men loaf, in order to make it so that there would be less labor offered in the market. That is restricting the output of labor, is it not? Taking labor as a marketable commodity, if a body of men get together and restrict the flow of labor, it is practically the same as the manufacturer restricting his output?

Mr. HUNT. Possibly it is in that particular way, but that is not generally understood among manufacturers as being a restriction of output by labor. They restrict the output, so that when the day comes for adjustment there will not be that average tonnage per day that the mill was capable of making.

Mr. HUGHES. That is because there has not been so much labor.

Mr. HUNT. I do not understand it in that way.

Mr. HUGHES. I will not dwell on that subject any further.

Mr. CALDWELL. Let me suggest that, if I remember correctly, you stated that the average hours of work of your twelve-hour men was nine and three-quarter hours.

Mr. HUNT. Yes, sir.

Mr. CALDWELL. If it should be proposed to strike out eight hours here and insert nine hours and forty-five minutes, would you still object to this bill?

Mr. HUNT. Yes, sir.

Mr. CALDWELL. Will you give the committee your reason?

Mr. HUNT. I think I have already explained that our mills operate continuously, and that most of the operations can be done during the

twelve hours. If, under the provisions of this bill you make the day nine hours and forty-five minutes, we would still have the same difficulties to contend with that we do under the eight-hour clause.

Mr. CONNELL. Then you object to any restricted day, whether it is eight hours or nine hours and three-quarters or twelve hours, and your idea is that it is impracticable in your work?

Mr. HUNT. Yes, sir; it is impracticable, because, as I have explained, if your operator is not there and you have important work to do, either in rolling, or boring, or molding, then, according to the provisions of this bill, the work would have to stop at that point, no matter where you fix the limit. It would be impossible to do the work, and the piece would be spoiled, because the other men had not arrived at work.

Mr. GILBERT. We could obviate that, if my interpretation of the law is not correct, by changing the language so as to make it more elastic, in order to meet that class of emergencies.

Mr. HUGHES. This gentleman has already stated that that would be a vast improvement to the bill if it could be done.

The ACTING CHAIRMAN. Did you answer the question as to what portion of the output of the Homestead plant is Government work?

Mr. HUNT. Yes, sir; 3.44 per cent was the proportion for last year.

The ACTING CHAIRMAN. You make armor plate for the Government?

Mr. HUNT. Yes, sir.

The ACTING CHAIRMAN. That is almost a separate department, I suppose?

Mr. HUNT. It is separate in its finishing.

The ACTING CHAIRMAN. It is made up into steel billets in other portions of the plant, is it not?

Mr. HUNT. The majority of the steel used for armor plates is made into ingots and then shipped to the armor-plate plant, where it is forged and plated and fitted for the vessel.

The ACTING CHAIRMAN. I want to inquire where it left the general line of manufacture and commenced a course of special preparation?

Mr. HUNT. Armor plate proper goes to the armor-plate department in the shape of ingots. An ingot is steel poured into a mold and allowed to solidify.

Mr. GILBERT. I wish you would repeat that, for my information.

Mr. HUNT. Steel is made in an open-hearth furnace, and I will not undertake to describe the furnace. Then it is taken out in a ladle and carried over to a certain point where it is poured into the molds. These molds are made in some instances of sand, and in some instances of cast-iron. After the steel has solidified the mold is taken off, and it comes out as an ingot. That ingot is taken to the armor-plate plant and made into armor plate proper. Then, for belt armor and protected decks and thin plates of that kind, these ingots are taken to the rolling mills and rolled into thin plate, which is then taken to the armor-plate department to be finished.

The ACTING CHAIRMAN. I would like to ask you one or two questions bearing directly upon this matter, and all I want with regard to it is your opinion. I know that you may not be the one to pass upon the question, and that you may not have the information at hand. Could you afford to change your plant to an eight-hour system for the proportion of the Government work you are doing?

Mr. HUNT. No, sir.

The ACTING CHAIRMAN. Would you do that?

Mr. HUNT. No, sir.

The ACTING CHAIRMAN. Would that mean that you would have to cease bidding upon the Government work you are now doing?

Mr. HUNT. I do not think I understand your question.

The ACTING CHAIRMAN. I understood you to give it as your opinion that it would be impossible to separate Government work from other work which you are doing for the general market.

Mr. HUNT. That is true.

The ACTING CHAIRMAN. And therefore I assume that if you continue to bid upon Government work you would have to adopt the eight-hour system.

Mr. HUNT. Under the provision of this bill we would, unless it be possible to separate our Government work from our trade work, and as I look at it that would be impossible.

Mr. SPALDING. What was the output of your plant last year?

Mr. HUNT. 1,194,074 tons.

Mr. CONNER. Have you ever had occasion to talk with your men as to their wishes on this question?

Mr. HUNT. I certainly have.

Mr. CONNER. What percentage of them do you find desire this change?

Mr. HUNT. When I was a mill worker almost none of them desired it. Since I have ceased being a mill worker I have had the opportunity, but I have not canvassed this subject very thoroughly. I have spoken to but very few about it, and they are not at all in favor of an eight-hour law, for the reason that it is impossible for them to make the earnings they are making now. They could not do it. I think it has been clearly demonstrated that it is impossible for a laborer to earn, in eight hours, enough to support himself and his family.

Mr. CONNER. What percentage of them would you say are opposed to this change?

Mr. HUNT. I do not know that I could give you any idea as to what the percentage would be of those who are opposed to it. I have not canvassed the subject thoroughly. I do not know that the workingmen know much about this law. I am quite sure that if the law was explained to them, and if they were instructed that they could not work longer than eight hours under any circumstances, the majority of them would be opposed to the bill.

Mr. GILBERT. What percentage of your employees own their own homes?

Mr. HUNT. I should say from 30 to 50 per cent—about 30 per cent. I think the condition of the workingman at Homestead is a very happy one. About 30 per cent of them own their own homes, and about 60 per cent of them have bank accounts.

Mr. GILBERT. What percentage of them are American citizens?

Mr. HUNT. I should say about 40 per cent. The majority of our laborers, known as common laborers, are foreigners.

The ACTING CHAIRMAN. Do you mean that 60 per cent of them have not the right to vote and are not naturalized citizens of the United States?

Mr. HUNT. No, sir; I would not say that by any means.

The ACTING CHAIRMAN. The question asked was what proportion of them were American citizens.

Mr. HUNT. I did not fully understand the question.

Mr. GILBERT. I did not mean any particular nationality. My question was a plain one: How many of them are American citizens?

Mr. HUNT. I should say about 75 per cent of them are American citizens. The condition of the workingmen at Homestead has been improved by the company adopting this system: They would allow the workmen to deposit any sum, from \$1 to \$2,000 with the company, and would pay them 5 per cent interest on it, when at the same time the company could borrow money for 2 or 3 per cent. They would accumulate a sum until they could buy a little piece of land, and then the company steps in and says: "We will lend you so much money to build a house on it."

Mr. GILBERT. At what rate of interest?

Mr. HUNT. At the same rate of interest that they paid the man who deposited the money. They take a mortgage on the property to secure the loan. Then they pay that off in monthly installments of whatever they get over and above enough to keep their families, which may be \$10 a month or \$40 a month or \$50 a month or \$100 a month. If sickness or anything of that kind occurs, so that the man can not meet his obligation to the company, they would say: "Do not worry about this, pay it when you can."

Mr. GILBERT. Is there any string attached to that title in the event they cease to pay or in the event they cease to be employees of that corporation that they should forfeit their land?

Mr. HUNT. No, sir; there is nothing at all of that kind.

Mr. CALDWELL. Is it through this arrangement that most of these men have become householders and owners of land?

Mr. HUNT. Yes, sir; I think so.

Now, it is manifest that under the eight-hour system it would be impossible to fix the responsibility as to a piece of work that had been spoiled. It might be that you would have your heat in an open-hearth furnace charged on one turn and dipped on another, and that the heat was not of the right chemical analysis. It would be impossible to fix the responsibility for that last heat, and so it would be all the way through the process.

It is also possible that the men might conspire to injure their employers. I do not think they would do that at Homestead, but it is possible that at some point they might do it. In collusion with the inspectors, they could very easily work five minutes overtime, and in that way do a harm that would be a great wrong. That is only one of the possibilities that might arise under this bill.

Then comes in the expense of this work under the eight-hour law. We have at Homestead nearly 7,000 men, and Government work is done in nearly every department. How many inspectors would it take to watch these 7,000 men during three turns, and who is going to pay those inspectors?

Mr. HUGHES. What is the practice now as to inspectors?

Mr. HUNT. The Government pays the inspector. The civilian inspector is paid \$5 a day. How many inspectors is it going to take to keep the time of 7,000 men, distributed all over our plant?

Mr. GILBERT. Do not your men all go to work at the same time?

Mr. HUNT. You might do it if they would work twenty-four hours a day.

Mr. GILBERT. I mean if you have two sets of men, and one goes

off at a certain time and another comes on at another time, you could do it.

Mr. HUNT. One set of inspectors could cover that period in eight hours, but after that you would have to have another one, and at the end of the third eight hours you would have to have still another.

The ACTING CHAIRMAN. At the present time they only have to inspect the product and see that it comes up to the Government requirements.

Mr. HUNT. That is all.

The ACTING CHAIRMAN. Under this law they would also have to have inspectors to keep track of the time as well as the product.

Mr. HUNT. That is the way in which I understand the provisions of this bill, if I understand it at all, and I do not profess to understand it very well. As I understand the bill, it contemplates the present inspector reporting anything that he discovers along that line.

Mr. HAYDEN. Do you know the number of Government inspectors in your plant now?

Mr. HUNT. Yes, sir; it varies from five to eight.

Mr. HUGHES. The bill says:

That any officer or person designated as inspector of the work to be performed under any such contract, or to aid in enforcing the fulfillment thereof, shall, upon observation or investigation, himself report to the proper officer of the United States or of any Territory.

The ACTING CHAIRMAN. The number it would take to properly carry out that law would have to be determined by experience.

Mr. HUNT. You can readily see that to cover such a number of men would require a great force of inspectors.

Mr. HUGHES. I do not think there would be much difficulty in finding out that the law had been violated.

Mr. HUNT. There is another objection to it. The inspector is given arbitrary power. He is not bound by any oath in making his report. In collusion with the workingman they might work a minute over. I do not know what good it would do him; and yet it could be done.

The ACTING CHAIRMAN. I think that point has already been brought before the committee.

Mr. HUNT. I have not noticed, in any of the testimony, that Government officers have been required to testify. I do not understand why it would not be wise to get the opinions of Government officers in this regard. This is brought out by the fact that I happen to know from Government officers who are very familiar with our methods at Homestead that they are not in favor of this bill. They are opposed to it. I do not know that I could give you the reasons why they are opposed to it, but that broad statement has been made.

Mr. HUGHES. I will say, for the information of the gentleman, that during prior investigations General Casey testified that he was unqualifiedly in favor of an eight-hour day. Some other Government officers have testified to the same effect. So far as this committee knows both the officers of the Government and the Government itself are committed to the policy. That may not be so now, but so far as I have read the evidence of the last hearing that is the impression I gathered from it.

Mr. JENKS. It would only be a Government officer who was familiar with the production of steel who would have an opinion that would be valuable.

Mr. HUGHES. I remember reading the testimony of General Casey, who was Chief of Engineers, and he said that it was impossible for a man to work on big guns more than eight hours a day for any length of time, and that after that period his work was not worth anything.

Mr. JENKS. Making steel and working in machine shops is so vastly different that I do not see why the same rule should apply.

Mr. HUGHES. Mr. Hunt brought the matter up squarely as to the opinion of Government officers. General Casey and one or two others are the only Government officers that I know of who have expressed any opinion.

Mr. HUNT. The question was asked here a few moments ago as to why we could not get out as many tons in twenty-four hours divided by three as we can in twenty-four hours divided by two. I do not know that it would be possible for me to explain why that is. It has been developed, in the former testimony, that men working on mill-work get a sort of a swing and develop a kind of team work which they do not develop during the first hours of their service. I do know, from my own personal experience, that the best work has been done from 12 o'clock at night until 6 o'clock in the morning. I do not know why that is true, but it is possible to get more work done in the last four hours than it is in the first eight hours of a shift. The men will get warmed up to their work. It is possible to do that because it is not laborious work. Our workmen have been classified by some writers as observers, and there is more truth than poetry in the statement.

Mr. SCHULTEIS. Let me ask you if you do not think that is because they save themselves in the first four hours in order to be able to work the last eight hours? Suppose you had to work twelve hours a day. Would you work as hard as you possibly could the first four hours, or would it be better policy to work slowly and gradually during the first few hours in order to have your strength to enable you to work the full twelve hours?

Mr. HUNT. That might be true on the race course, but it is not true in the mills, because the men do not have to save themselves. They are operating machines. They are standing there handling levers. The crane does the work; they do not do it. The fact remains, however, that taking the mills as a rule—and I do not refer to armor plate particularly, because there the operations are longer—they will do more in the last half of the turn than they will in the first half.

Mr. SCHULTEIS. Suppose you stand still and do nothing at all for twelve hours. Would it not be laborious to stand still for twelve hours without sitting down? Would you like to stand still twenty-four hours in one place without working at all?

Mr. HUNT. I do not know that we have ever asked our men to stand still for twenty-four hours. They sit down; but, however, I will admit that would be laborious. But suppose these men, instead of standing still, were permitted to walk around, and to sit down, and to read the newspapers, as they do hundreds and hundreds of times. You see our men reading the newspapers and keeping track of events in the country.

Mr. O'CONNELL. The machinery in the mill is naturally speeded to its capacity. That would be a natural and proper standard.

Mr. HUNT. Yes, sir.

Mr. O'CONNELL. If that is so, and the machinery is speeded to its



full capacity during the first two or three hours that it is during the last hours, is it possible that the same machinery, speeded at the same capacity, would produce more in the later hours?

Mr. HUNT. The heater, where the work starts, may possibly not forward his material as fast then as he does later in the day, because he wants to get it all out that day. That may be an explanation of it. I do not know that it is the true one.

Mr. GILBERT. It is not exactly pertinent to this bill, but I want to know if you have a system of insurance by which injured employees are provided for.

Mr. HUNT. The Carnegie Steel Company have not. Mr. Carnegie himself has provided a fund which applies to a sort of insurance. I may say, however, that an injured employee is taken care of. His doctor's bills and hospital bills are paid, and his family, in most cases, is taken care of. In some cases he is paid a certain sum of money. It is not in the nature of insurance; but the company is very liberal in that direction.

Suppose that this bill should go into effect, and that we have on our books a part of an old contract. I can not understand how we are going to operate under it. An ingot, starting from the open-hearth department, will be on the road to completion before it is shipped to the Government, in some instances for a month, and in some cases for six weeks. Now, we have got to shut down a part of our armor plant until that contract is entirely completed, and until we get a new contract to be begun under the provisions of this bill. How can we possibly do that?

Mr. SCHULTEIS. You are supposing that the act of 1892 is not in force at all. Under that act all contracts with the United States from August 1, 1892, are supposed to be done under this very system of eight hours, which extends to contractors and subcontractors. By the statement you have just made you confess that you are paying no attention to the act of 1892.

Mr. HUNT. I do not know that we are compelled to do so. The act of 1892 does not apply to the Homestead Steel Works.

Mr. SCHULTEIS. Why not?

Mr. HUNT. As I understand it, the act of 1892 applies only to public works, to docks, yards, and things of that sort.

Mr. HUGHES. I never heard of it having been held by any tribunal that that is so, but that seems to be the general understanding with regard to the law.

Mr. HAYDEN. When that question was raised the Attorney-General gave the act that interpretation.

Mr. SCHULTEIS. That point has never been decided by the Supreme Court of the United States. The decision referred to was made within twenty-four days after the law was passed.

Mr. HAYDEN. It has not been decided by the Supreme Court; but the Attorney-General gave that as his interpretation of the law.

The ACTING CHAIRMAN. We have five minutes more, and if you would like to fill up that time you may go on.

Mr. HUNT. I only want to refer again to the eight-hour division of time. Back in 1888 one mill of the Homestead Steel Works was operating on the eight-hour system. It operated on the eight-hour system until 1892, at which time the twelve-hour system was adopted. It is true that, without a dollar's expenditure, as soon as the twelve-hour

system was adopted the production of that mill went up about 30 per cent. I can not understand how the shipyards on the other side of the water can increase their production by cutting their hours of labor from twelve to eight.

Mr. HUGHES. The particular concern to which I referred went from nine hours' to eight hours' labor.

Mr. HUNT. By the elimination of the eight-hour system and adopting the twelve-hour system, that one mill in the Homestead works increased its production about 30 per cent.

Mr. GILBERT. Have you a system of merits and demerits among your men, by which there is a line of promotion marked out for efficiency?

Mr. HUNT. Only as the merits of the man come under the notice of his foreman, and it certainly does come under his notice. There is no manufacturer that I know of who caters to the workmen, so far as ability is concerned, to so great an extent as is done under the Carnegie system.

If a man comes in there and does his work properly and shows true loyalty and desire to promote the interests of the company, he is immediately spotted and commences to rise until he gets to the top. I do not think that would be possible if you limited him to exactly eight hours' work.

Mr. GILBERT. You would in a measure destroy his individuality.

Mr. HUNT. You would destroy his individuality. Our friends here tell you, the employer, that you must pay a certain rate of wages to every machinist in your employ, and to every bricklayer, and to every molder, and that you must give each one of them the fixed wage. If you have a man working for you in your crew who is efficient and worth that money and more, there is no incentive to him to do the best he can do to get his promotion, due to good work, because he is paid no more and can be paid no more than the poorest man in the crew.

Mr. GILBERT. How far is that neutralized by the fact that you have this modern machinery and that he becomes, in a measure, an automaton, merely supervising the operations of the machine?

Mr. HUNT. The disposition is to pay the men the best rate of wages we can afford to pay for certain work done. For instance, we pay our rollers \$8 a day. The next man down the line will get \$6, and \$5 and \$4 and \$3, and so on, until we come to our common laborers.

Mr. HUGHES. Is there any labor union that you know of that fixes the maximum rate of wages?

Mr. HUNT. I do not know of any. I think they fix a minimum rate of wages.

Mr. HUGHES. There is nothing to prevent a manufacturer from recognizing superior skill, by paying more for it?

Mr. HUNT. There is under the labor-union regulations. Where they are not under the rules of the union you can pay your men more.

Mr. HUGHES. I think you are wrong there.

Mr. SCHULTERS. There is not a union existing in this country that fixes a maximum rate of wages. You are confusing the maximum wage with the minimum wage. There is nothing to prevent you or your company from paying as much as you please to your men more than the established wage.

Mr. HUNT. Manufacturers, as a rule, are not apt to do that.

Mr. CONNELL. What is the minimum wage in your plant?

Mr. HUNT. The minimum wage in our plant in 1903 was \$1.60 a day for a common laborer. The maximum rate was probably paid to the rollers, who earn from \$16 to \$20 a day.

Mr. O'CONNELL. Does he not have to pay a helper to do that?

Mr. HUNT. No, sir.

The ACTING CHAIRMAN. That is his individual earning capacity?

Mr. HUNT. Yes, sir.

Mr. JENKS. We have rollers in the Youngstown district who average \$23.90 a day, from the 1st of March to the 31st of September, for every working day.

Mr. O'CONNELL. What percentage is that of your employees?

Mr. JENKS. It would probably run about 5 per cent employed at that extreme wage. The wages of these men I spoke about, who work four hours a day, average nearly \$6.

Mr. HUGHES. Do you remember the first statement published of the corporation with which you are connected, showing the number of employees and the gross earnings? Do you remember what the average of that was? I figured it out once, but I would not want to hazard a statement about it.

Mr. HUNT. I could not tell you that; but I can tell you the average wage earned at Homestead last year. It was \$2.57. That includes every employee, even water-boys and messengers and laborers—every man employed there.

Mr. CALDWELL. Of those 7,000 employees, what number probably earn \$8 a day or more?

Mr. HUNT. I am not prepared to say. I should think it would be from 6 to 10 per cent; although perhaps it would not be so many.

Mr. O'CONNELL. What percentage of the employees receives \$1.60 per day?

Mr. HUNT. About 40 per cent of our employees are common laborers and mechanics.

Mr. HUGHES. What do the molders get now?

Mr. HUNT. I do not know. I think they will, perhaps, run from \$2.50 to \$3 and \$3.25 a day.

Mr. SCHULTEIS. You were speaking a moment ago of public works as a layman. You are not a lawyer, are you?

Mr. HUNT. I am a mill worker. You never saw a mill worker who was a lawyer.

Mr. SCHULTEIS. In your opinion as a mill worker and armor plate maker, will you state whether armor plate is Government work or not? Do private concerns have armor plate made for themselves?

Mr. HUNT. I hardly understand your question.

Mr. SCHULTEIS. Do you consider the work of making armor plate in your mills to be Government work?

Mr. HUNT. I say that it is not Government work until the Government accepts and pays for it. They have no vested right in it until they accept it and pay for it. I do not know whether that answers your question.

Mr. SCHULTEIS. The Government orders this work just as any other individual orders work to be made for him?

Mr. HUNT. Yes.

Mr. SCHULTEIS. And you do not consider it to be Government work when they order it from you?

Mr. HUNT. We know, undoubtedly, that it is work for the Government.

Mr. SCHULTEIS. What is your opinion, as a layman, about that? We have always considered it Government work and have never asked the Supreme Court to decide it. I want your opinion as a layman, and one engaged in the business, whether you think the making of armor plate is Government work or private work?

Mr. HUNT. It is known in the plant as Government work, and we class it as Government work, but only to designate it from other work that we do. I do not know that I am right in the matter, but I think the Government has no vested right in a pound of that steel until they accept and pay for it.

Mr. GILBERT. Certainly not; but that is a different proposition. The question is whether you are not working for the Government when you are making material under contract with the Government.

Mr. HUNT. Our men are not working for the Government.

The ACTING CHAIRMAN. There are two gentlemen here from Chicago who have been here before, and they can not wait for the hearing to-morrow. Suppose we give them now fifteen minutes apiece.

Mr. HAYDEN. Mr. McCammon asked me to submit a certain matter to the committee to-day, and I had expected to occupy about fifteen minutes of your time.

The ACTING CHAIRMAN. I will remain thirty minutes longer, and if the other members of the committee are willing to remain you can proceed.

#### STATEMENT OF MR. C. N. FAY, OF CHICAGO, ILL.

Mr. FAY. Mr. Chairman and gentlemen, I am feeling very unwell to-day, and I therefore ask the courtesy of the committee to permit me to make my statement a general one, without interruption, after which I will be ready to answer any questions that may develop.

I assume that this committee and the House of Representatives will pass this bill, if it is passed at all, for three reasons: First, because it is inherently right; secondly, because it is expedient; and thirdly, because it is workable for all parties in interest.

I take it there are four parties in interest. The Government is the buyer; the manufacturer is the seller; the workman, in whose interest this bill is introduced, comes next; and, lastly, the general public. I will take up each one of these four interests in order and try to consider it in the light of right, expediency, and workableness.

And, first, as to the right of the Government to buy material which is manufactured under an eight-hour day as the limit. I assume, for the purposes of this discussion, that the limit fixed in the bill is a cast-iron limit, eight hours a day and no more and no less.

The Supreme Court has passed on that question in the Kansas cases, and has decided that the Government has the legal right to buy material manufactured in any length of time that it chooses, even in one minute, if necessary. The question of right, therefore, so far as the Government is concerned, does not arise.

Next is the question of expediency. Is it good for the Government to buy material manufactured in an eight-hour day? Is it to the interests of the Government of the United States? Probably every manufacturer who has testified here has testified that it would inevita-

bly raise the cost of that material to the Government. I will so testify if questions are asked of me individually about my individual industry.

I think it stands to reason that if work is performed in an eight-hour day, which is the object of this bill, that the cost of the labor must be increased, unless the productivity of the machine can be increased. Therefore it is not to the interest of the Government, in buying, to fix the number of hours in which the material must be produced. No private buyer would for one instant, if you will pardon the phrase, consider such a "damn fool" proposition as to say that a man who was bidding on his work should not make the work in the manner and during the hours best suited, in his judgment, to enable him to make the lowest bid. I do not believe that you will get testimony from any manufacturer in the world to controvert that proposition.

Before passing from the question of expediency I want to say one more word. Under the question of expediency must be considered the number of bids the Government will receive. If, for any reason, the number of bidders in the market for Government work should be diminished as the result of this bill it will tend, at least, to cause the interests of the Government to suffer. It may be that among the limited number of bidders which remain there may be some who will still bid as low as any bidder might; but the tendency of limiting the number of bids is to injure the interest of the Government as buyers.

Finally, is the bill on the part of the Government workable? Under that question the enforcement of the bill will depend on some kind of a system of inspection, some sort of a system for the detection of fraud, some kind of a system of espionage, following the product clear back through the various manufactures, from the mine to the Government workhouse, which in its nature must be exceedingly cumbersome, exceedingly costly, and exceedingly odious. When I was a young man there was a system in force for protection against frauds upon the revenue, and there was never anything more odious to the American people. It was repealed with the repeal of the income-tax bill, because it was recognized that to put spies on the American people was not American. Something of that kind is unavoidable in the working out of this proposition, and I think it will condemn the proposition in the minds of the people generally. It certainly has done so in the judgment of every man with whom I have had the honor to confer about it.

We will take up now the manufacturers. What is the inherent right of the manufacturer to manufacture goods upon an eight-hour day or a ten-hour day or any other day? I have a plant in Chicago, bought and paid for with hard-earned money. I am offering employment there at ten hours a day to men who are perfectly willing to accept it and glad to get it. We pay our debts. We pay our taxes, and we behave ourselves. We are good citizens, and we try our level best to do what is right and just. We are producing goods, and we offer those goods to the Government. Is it a crime to be penalized to offer to the Government goods made on a ten-hour day or on any other kind of a day? Is there any moral right which justifies the Government in saying to me, as a manufacturer, that an eight-hour day is right and a nine-hour day is wrong and a ten-hour day is inhuman?

I submit that it is a question purely between me and the men I employ, so far as my rights as a manufacturer go.

Then comes the question of expediency. Would it be expedient, in the matter of Government work, for me, as a manufacturer, to accept work under the provisions of this bill? I can answer that question in two minutes. I would not touch a piece of Government work. I would simply run my business without it, and I would be one bidder who would drop out of the ranks of Government competition. In my judgment, that would be the case with a great body of manufacturers if this bill were rigidly enforced. And right here comes in the most unjust feature about the whole matter. In my judgment the great body of the manufacturers would refrain from bidding on Government work, unless they do so with the deliberate intent to defraud.

Gentlemen, there is dirt enough about Government contracts. There is fraud and evasion enough without this committee and the House of Representatives hanging up a premium for fraud on everything that goes into a Government purchase, a premium on evasion, a premium on bribery of spies and inspectors, because that is exactly what it means. You put a man in a position where, if he is going to bid on Government work at all, he has either got to lose money on it, or else bribe some one, you immediately put a premium on fraud, and you will find plenty of men who will bribe, and plenty of inspectors who will take that bribe.

Next comes the question of workability on the part of the manufacturer. I do not pretend to speak for every manufacturer, but I can in general say this: The Government is one of the largest buyers in the world. It is buying all sorts of things. For instance, it is buying caissons for a Government pier, and in those caissons it may be necessary to put pneumatic cushions. The "sand hog" that works in those caissons can not work over three hours a day under a pressure of three or four atmospheres. It is perfectly plain that, so far as the Government is concerned, it makes no particular difference from whom they buy those caissons, that is, so far as this bill is concerned, because the eight-hour limitation in this bill will not limit those men.

You may go along a little further, and you will find that there are mines in which the men can not work more than six hours a day. I am not a miner, but that statement has been made to me. The Government buys a good deal of coal, but the six hour a day man would not be hurt. Then we come along to business of different character. Take the draftsmen who make drawings purchased by the Government. Draftsmen usually work eight hours a day. Their eyes can not stand the work any longer, and those men would be just on the line provided by this bill.

Next come men like myself, who are working factories ten hours a day, and those who are working nine hours a day. Then come the railways, which operate for the convenience of the public, the street-railway systems, the gas people, the electric-light people, and the whole range of business covering public service, which will not be permitted for one moment to be run less than twenty-four hours a day by the public. Then you come to the farmers—the great mass of the workers of this country—upon whom every man of us depends. The sun and the frosts will not obey the bidding of the House of Representatives.

The seasons will not lengthen nor will the grain sprout quicker at your bidding.

The farmer must do his work when he can, and he must work early and late. Is the Government to follow the food purchased by the Armour Company back into the hands of the farmer, and say to the farmer, You shall work eight hours a day? If so, how is the Government going to enforce such a law? How is it workable? In other words, taking the manufacturers of the country as a whole, how is this bill possibly workable? Gentlemen, it is a "pipe dream," and that is all there is of it.

Next comes the question as to its application to the laborer himself. We have heard here from many men who have worked themselves up to positions of responsibility and trust.

We have many men who are ambitious, and they have the right to labor as many hours as they please. But here is a bill which says the laborer shall have no right to work more than eight hours a day. Mind you, I admit that the Government can limit the work, upon the material it purchases, to eight hours a day. It can say with perfect legal right, although I think with very bad expediency, that it wants that work furnished on an eight-hour basis, and if the laborer or the manufacturer takes the job from the Government it is a matter of contract, and they have got to do it on the eight-hour basis or else commit a fraud. The tendency of this bill as I understand it, and as I believe it was stated before this committee by Mr. Gompers, the father of it, is to establish an eight-hour day for every man, woman, and child in America.

In other words, its purpose is far reaching. And there you come to the question of the right of the laborer in general. There are a great many men who do not want their right to labor limited. They want to work. They are ambitious and industrious, and they want to work and make money if they can do it by working nine hours or ten hours. They want the right to do it. Furthermore, there is no labor union in America that has not recognized that right by putting a provision in every contract that I have ever seen submitted by them for a minimum amount, but not for the maximum amount to be paid.

As to the expediency of this measure for the laborer himself, it is a matter of opinion, and a broad question which I will not enter into at present. I will simply say that my own individual opinion is that any limitation whatever of the hours of labor is uneconomical and inexpedient for all the parties concerned. The various incidents and different hours of labor which necessarily must prevail in different localities, show that it is impossible to make an arbitrary day. Why should you make an arbitrary day? Why not make it a matter of contract in each instance, and leave our business free? Do not try to trammel it by legislative enactment.

As to the workability of the measure, so far as the laborer is concerned, I do not doubt that the laborer can work any number of hours he chooses, and I do not doubt that, as manufacturers, we can make any kind of a day we please. We will adjust the wages afterwards. That is a subsidiary question. If we have a rigid cast-iron day, work could stop at 5 o'clock in the afternoon, or at 4 o'clock. A mere arbitrary unit of eight hours a day is only a question of adjustment of wages.

And finally comes the question as to the interests of the people,

which is the largest interest of all. What is the right of the great majority of the people? Their right is to buy what they wish to buy in the cheapest market. Their right is to have their individual liberty protected.

What is expedient as to them? Expediency, as I said before, is a matter of opinion, and I will not try to enter into consideration of that matter now. In the days of the old guilds, which died a natural death a couple of centuries ago, all kinds of limitations on the rights and hours of labor were provided. They still exist in the old countries. They have their organization and property, but so far as being living actualities in business they have passed out of sight, because they are not economic.

And finally as to the workability of an eight-hour day for the people as a whole. The whole farming population, as I said before, works long hours at one season of the year and short hours at another. The wives and mothers of the American people, the great mass of those people who are not rich enough to employ servants, work in actual domestic service from 6 o'clock in the morning until 9 o'clock at night. The actual convenience of the people demands twenty-four hours' service in transportation and matters of a like character.

Gentlemen, I conclude by saying that it seems to me there is only one rule that is right, expedient, and practical upon this whole subject, and that is to put no limit on the working hours of any man.

If I were asked to make a suggestion for any improvement in this bill I would say: Strike out the enacting clause.

MR. O'CONNELL. Will the gentleman state the business in which he is engaged?

MR. FAY. I am manufacturing typewriters in the city of Chicago.

MR. CALDWELL. How many hours a week do your men work?

MR. FAY. Sixty hours.

MR. HUGHES. You said that the working people of America had the right to buy their goods in the cheapest market. Do you think they have that right?

MR. FAY. They are the people who go to the department stores where they can buy the cheapest.

MR. HUGHES. Do you not think that the Government has enacted legislation which prevents them from buying in the cheapest markets?

MR. FAY. I think the Government has tried to do so, and I think it has made a mistake.

MR. HAYDEN. Our next witness, Mr. President, is Mr. Arthur B. Farquhar, of York, Pa.

THE CHAIRMAN. Mr. Farquhar, will you state your name and occupation?

MR. FARQUHAR. My name is Arthur B. Farquhar. I am a manufacturer of about fifty years' standing, and a student of political economy for more than that time. Where I am known at all I am known as a writer rather than as a manufacturer.

#### STATEMENT OF MR. ARTHUR B. FARQUHAR, OF YORK, PA.

MR. FARQUHAR. Mr. Chairman, this bill has a somewhat peculiar position, in that it is urged not for any direct effects it may have, these being matters of comparative indifference to its promoters, but for some remote result which it is expected to advance indirectly. In



the words of its most prominent champion: "The object is to have this bill enacted into law so that it may be supplementary to our private efforts to secure a universal eight-hour day for all wage-earners in America."

In considering it we are therefore obliged to decide two questions: Is this remote result—the universal eight-hour day for all wage-earners—so desirable as to call for immediate steps to advance it? and, Is the proposed step suited to advance such result? Furthermore, to be properly suited for its purpose, there are two requisites—that it shall really advance and not delay, and that while advancing it shall not injuriously affect other important social interests. It has, therefore, three requirements to meet, and if it fails in any of them—if, in the first place, the universal eight-hour day is not desirable; or, in the second, the proposed step would not help to bring about that result; or, in the third, it would do more mischief in other ways than good in the way intended, then it is a step that ought not to be taken.

That at some time in the far future the great mass of mankind may be able to obtain what suffices for their daily wants from a few hours of active toil has long been a favorite Utopian dream, and the devotion of the remaining waking hours to mental and esthetic cultivation or innocent social enjoyments is quite easy as well as pleasing to imagine. If only in practical life few hours could support a family as well as many; and if man, following his free bent, would seek none but refined pleasures and ennobling pursuits! But it is the practical world alone that here concerns us. The lessons of experience are confessedly less delightful than those of the imagination, but must be preferred.

There are many noble exceptions, I gladly admit, in the ranks of those who depend on daily labor for their daily bread; but to the great majority of those on whom the gift of two more hours of leisure, to be spent at their own choice, might be bestowed, experience too clearly shows that the temptations to dissipation, or at best to a mere waste of the time, would be so strong as to make the gift no blessing. As to the other question, if as good a living could be earned in fewer hours, we have two uncontested principles to guide us—first, that a general shortening of working hours must result in diminished production; second, that the suffering from diminished production always falls most heavily on the poorer, the laboring, class.

In calling the first of these principles uncontested, I am not forgetting the claims so poetically and enticingly made by several large-hearted philanthropists who know very little of what they are talking about, that men can do better work, and even more work, in eight hours than in ten. Why? The argument is simple enough. Hours of work were considerably longer in the earlier part of last century and the daily product of a laborer considerably higher in the latter part; therefore diminishing working hours increases product of work, and therefore we should have more with eight hours than now with ten, which was to be proved. There is a double fallacy in this reasoning, as will easily be seen, for it neglects the many other industrial changes of the last century, apart from, and quite possibly counteracting, the shortening of labor hours to ten, and it indicates no reason why six hours might not prove more productive than eight, or five than six.

Dismissing claims of this somewhat preposterous character, we may speak of our conclusion that a general diminution of hours of labor to eight would result in diminished production as "uncontested," on the

evidence of the proposed bill itself. By expressly exempting from its penalty provisions contracts for supplies, etc., during war or other "extraordinary emergency"—in cases, that is to say, when more work and better work are particularly desired—it admits quite plainly that more work and better work are not normally to be secured from eight-hour production. Undoubtedly, if the proposed shortening of hours would really be the benefit to the workingman that is claimed, it would be won for him by a pressure of public opinion which nothing could resist; in fact, his employers would not undertake to resist it. But, since he and his must suffer more than we and ours from generally diminished production, his interest lies not that way.

As to the second requirement of the proposed step, that it shall be one which would advance and not delay the end in view, those are best qualified to speak who deem that end desirable. Prof. George Gunton, a well-known editor and political author of New York City, who has been an enthusiastic advocate of shortened labor hours for many years, in the course of a recent speech in which he earnestly and quite plausibly advocated a very different method of attaining that result, spoke of the present measure as "injecting the reduction of the working-day in spots, not even in industries, but in spots in industries, and nearly the opposite of the true policy;" as "asking for it under conditions that produce the greatest friction for the least results," and as "quite likely to injure rather than help the movement."

In Gunton's view, "To have it come effectively, the short-hour system must come with the consent of all, as a recognized element of the social movement of the time." To which it need only be added, that no objection could be made to any system coming in that way, and also that by his warnings—the warnings of a friend—the other advocates of the movement might well profit.

The third requirement is that the contemplated measure shall not be so injurious in other directions as to overbalance the good it may be supposed to do by advancing the eight-hour movement. This bill, however, is even more objectionable in its other tendencies than in its aid to the eight-hour propaganda. As I reminded the Senate committee in 1902—

It is pure, undisguised paternalism. It involves the assumption that business arrangements in which the contracting parties alone are concerned, as are those in which they agree upon the hours of the day during which certain services shall be rendered, may not be freely made by those parties, but must be dictated by the central lawmaking power. The amount of espionage and arbitrary interferences, involving possibilities of blackmail, which must accompany the operation of such a law if it is not to remain a dead letter, would besit an oriental despotism, but is utterly foreign to an enlightened republic.

The present bill has the same characteristics as the one before the last Congress, and if it can be justified, there is nothing in the whole programme of the socialists at which Congress need hesitate. It is true that this legislative prescription is introduced not as such, but as a contract freely entered upon by the manufacturer and employer; but that legislation should concern itself in any way with matters so far outside its proper sphere would be, in my opinion, and in that, I think, of thoughtful citizens generally, a long step in the wrong direction.

The minority of the Senate Committee on Education and Labor were unquestionably correct in proclaiming this bill unconstitutional, since the right of private contract is sacred, and this measure attacks

the very spirit of the Constitution in refusing to allow a man to dispose of his labor, which is his most sacred property right, as he sees fit. The Constitution assumes maintenance of civil rights. There is no more important right than that of a contract between employer and employee, which this bill invades.

Under this act an inspector has the despotic power to fine and imprison employees and employers, withholding payments due under contract without process of law. Can it be constitutional to thus deprive a man of his property and liberty? The province of legislation ceases when it prevents fraud and imposition; meddlesome interference with private business is not its province; it is the entering wedge to socialism, which begins by absorbing individual liberty and ends in tyranny; in short, the bill is vicious in its tendencies and impracticable in execution, and had it not excepted cases of emergency and the business of transportation, which gives it the character of class legislation, it probably would have been killed by *reductio ad absurdum* arguments.

It is a fundamental mistake to treat labor as an evil; labor is a blessing to humanity—as a rule, the more work we do, the better it is for us.

It must be borne in mind that the object of productive industry is primarily to meet the requirements of the consumer.

The consumer—that is, the great public—requires abundant production.

Production, to be abundant, should be under conditions as free as possible.

It is from the demand of consumers that the compensation of producers arise.

Those who are concerned in production are most satisfactorily compensated when the needs of consumers are most satisfactorily met.

Therefore, all who take part in production as laborers, directors, carriers, or capitalists, are interested in providing that production shall be abundant and free.

Consequently proposed restriction of abundant and free production is to be combated as hurtful to the welfare of the entire public. And since the wages of labor come from capital, and capital is created by labor, the employer and employee are interdependent, and any interference between them can only bring injury to both.

With the manufacturer, under present conditions, it is largely a question of "the survival of the fittest;" he must economize more closely and exercise greater care in the management of his business—in short, work much harder to earn a profit than formerly; and the effect of this eight-hour measure would be to add new burdens, retard his progress, discourage export trade, and ultimately reduce wages.

You do not need to be told that it is only through practical application that any philosophy of human conduct can have a real value. Such questions as the number of hours men should work can be satisfactorily settled only by evolution, not by arbitrary enactments. The hope for the future is not in some irresistible pressure from the law-making power attempting to carry us to our goal whether we will or no, but on the enlightenment of the individual.

Since the measure under discussion is advocated by the leaders of labor unions, it may not be out of order to conclude with a few words addressed in part to them. I am well aware of the serious apprehen-

sions excited in some minds by the growth of the unreasonable strife between labor and capital.

The education of the masses has advanced, and is advancing with giant strides, and it will not be easy to fasten chains, whether of corporate interests or labor unions, upon a thoroughly enlightened and educated people; and whether the unions grow more powerful, or whether they decline and finally give way to some form of organization altogether different, the situation is hopeful. There may be struggles and misunderstandings for some years, but since the unions can only acquire more power by acquiring more enlightenment, more knowledge—that is to say, of what the best interest of the laboring man really is—and since the interests of laborers and employers of labor are one in the long run, this increase in their knowledge must be good for all alike.

The unions as now constituted can only be superseded by some other form of industrial organization when it shall be proven that such other form advances the true interest of labor more effectively than the unions do, and that, too, must be good for all alike. Thus the same prescription, universal education and universal commingling of interest, seems to be the remedy for both ills, monopolistic and labor troubles. The first of these has always been the American creed; and what is the second but practical Christianity?

The CHAIRMAN. Mr. Farquhar, who do you represent?

Mr. FARQUHAR. I represent the National Association of Manufacturers. I was asked by them to come here. Mr. Parry is the president of that association, and I am the vice-president of the association for Pennsylvania.

Mr. HUGHES. Are you a manufacturer?

Mr. FARQUHAR. Yes.

Mr. HUGHES. What do you manufacture?

Mr. FARQUHAR. Steam engines and agricultural implements, and so forth. We employ about 600 hands, and have been at work for about forty-eight years, and every man is always employed, regardless of depression.

#### STATEMENT OF MR. ROBERT C. HAYDEN, OF WASHINGTON, D. C.

Mr. HAYDEN. Mr. Chairman, I had intended to take up about thirty minutes, but I now prefer to submit briefly what I have here, and ask for the balance of the time at some other session.

We have been appearing before this committee and the Senate committee for about seven years, in opposition to this and similar eight-hour bills. There has been a great deal of very interesting testimony submitted, but this is no way to put before you gentlemen a thoroughly practical and exhaustive statement or report upon this subject.

I have here a suggestion in that line which Mr. McCammon asked me to present, as follows:

MARCH 2, 1904.

DEAR SIR: By the act of Congress of February 14, 1903, a new Department was created, known as the Department of Commerce and Labor.

By section 3 it is provided that it shall be the province and duty of said Department, first, to promote and develop the foreign and domestic commerce, the mining, manufacturing, shipping, and fishery industries, the labor interests, and the transportation facilities of the United States.

Section 4 transferred, among other bureaus, the Department of Labor to the new Department. It also provided that said Secretary should also have authority to call upon other Departments of the Government for statistical data and results obtained by them.

Section 5 created the bureau of manufactures, whose province and duty, under the direction of the Secretary, is to foster, promote, and develop the various manufacturing industries of the United States.

Section 8 provides that the Secretary shall make an annual report in writing to Congress and "he shall also from time to time make such special investigations and reports as he may be required to do by the President or by either House of Congress, or which he himself may deem necessary and urgent."

It will be seen that this new department was established for the purpose, among other things, of promoting both labor and manufacturing interests, and to investigate the same and make such reports on matters connected with these interests as it may be called upon to make by the President or either House of Congress.

We therefore respectfully request that the Labor Committee of the House submit to the Secretary of Commerce and Labor certain propositions for investigation and answer, namely, to make a report on the labor situation as it will be affected by the passage of the pending bill (H. R. 4064); the necessity for the passage of the bill; the additional cost, if any, to the Government in the matter of its purchases and supplies if such a bill should become a law; to ascertain whether Government contractors in manufacturing lines especially affected by the bill would continue to contract with the Government if the bill becomes a law; to investigate and report more especially what effect a new system introduced in the industrial world would have at this time, particularly the proposition to prevent either employer to employ or employees to work longer than eight hours under any conditions except those of emergency, etc.

Also to investigate and report how far Congress would be justified in confining the application of such a law to only a few industries, say the manufacture of steel and armor used in shipbuilding and by those engaged in the construction of ships; what effect, if any, would the adoption of the policy proposed have upon shipbuilding interests generally, and whether or not this is a proper time to apply the proposed new system especially to the manufacturers of iron and steel and to shipbuilders; also, why, if the bill is a proper and just one, it should not be applied to the manufacture of other articles and supplies made for the Government; also to report as to the rate of wages and hours of labor prevailing in British and Irish shipyards and whether there is any arbitrary restriction on the hours in which workmen can work.

Permit us to say that, by complying with this request the committee will be pursuing the method invariably adopted by committees of both Houses of Congress, namely, to obtain reports from proper Departments as to the effect of a bill upon governmental and private interests. Similar requests are made by other committees of both Houses to heads of Departments concerning the army, navy, postal and Indian service, rivers and harbors, etc. Before enacting tariff legislation, schedules are prepared by experts in the Treasury Department, full reports are made by technical men, investigations are made, sometimes by commissions, none of which has ever been seriously done by any committee with regard to this proposed legislation. It can be said that legislation affecting the branches of the public service is founded largely upon the necessity for such legislation as reported by the heads and officers of the Executive Departments.

Yours, very truly,

JOS. K. McCAMMON.

(Sent to each member of House Committee on Labor, March 2, 1904.)

MR. CALDWELL. Do you appear here as an attorney?

MR. HAYDEN. Yes, sir.

MR. CALDWELL. For whom?

MR. HAYDEN. We represent the Carnegie Steel Company. I wish to make one suggestion to the committee in line with the letter just read. In the opening hearing before the Senate committee last year it was decided by the committee that the proponents of the bill should open the case and detail their reasons for asking its enactment.

Mr. Gompers protested, saying that they were in the position of being asked to show the necessity, advisability, and safety of a measure which could not be proven until it was inaugurated. Now, if the safety, the necessity, and the advisability of this and similar measures is so much in doubt, particularly the safety, we submit that some-

thing like a practical report from a practical department, which is created for that purpose, would show, better than anything else, the relative positions of the Government and the manufacturing interests on such a serious question as this.

Mr. GILBERT. Mr. Chairman, something was said here at the last meeting with regard to fixing a date for closing these hearings?

Mr. HUGHES. Mr. Hayden, have you any information as to how many other opponents of this bill desire to be heard?

Mr. HAYDEN. I have not, sir. I have understood that there are quite a number of manufacturers who wish to be heard; but we ourselves have no more witnesses to present. We would like, so far as we are concerned, to have an opportunity to present a closing argument. I know there are other manufacturers who have been trying to arrange a time to get here, and I suppose that Mr. Cushing and Mr. Du Brul can tell you what manufacturers wish to be heard.

Mr. CALDWELL. I gave notice at the last meeting that I would move, either to-day or to-morrow, that these hearings close two weeks from to-day. I now desire to give notice that I shall, to-morrow, move that the hearings close two weeks from to-day.

Mr. GOEBEL. I move we now go into executive session.

The motion was agreed to.

Thereupon, at 1 o'clock and 30 minutes p. m., the committee adjourned until Friday, March 4, 1904, at 10.30 o'clock a. m.

COMMITTEE ON LABOR, HOUSE OF REPRESENTATIVES,  
*Washington, D. C., March 4, 1904.*

The committee met at 10.30 o'clock a. m., Hon. B. F. Spalding in the chair.

The ACTING CHAIRMAN. Mr. W. D. Forbes is present before the committee this morning and desires to be heard.

**STATEMENT OF W. D. FORBES, PRESIDENT OF THE W. D. FORBES COMPANY.**

The ACTING CHAIRMAN. Will you please state your name and business and whom you represent.

Mr. FORBES. My name is W. D. Forbes. I am president of the W. D. Forbes Company, of Hoboken, N. J., and I represent my company. We are manufacturers of articles that are very largely used in the United States Navy and by the United States Government. I also do a certain amount of commercial work. My business is the production of high-speed engines, such as are used on torpedo boats, in electric-light plants, and for steering gear on battle ships and for other purposes. I also manufacture other machines for the Navy. I am a contractor, as well as a subcontractor.

When I went into the business of making engines I naturally looked over the field and saw that the Government was a large purchaser of engines. You, of course, know that the Government in all of its requirements is very particular about material. It desires the very best of both material and workmanship. It is necessary, as you well understand, in order to produce articles cheaply to make them in quantities, and the more you can bring your manufacture down to one single

standard the better off you are. That is to say, if I were making piston rods for my commercial work only I would not need to have such a high grade of steel as I use in making them for the Government; but it pays me to use Government steel in them, so that we will not have to bother with varying quantities.

The man does not live who, from mere appearance, can tell whether steel is the ordinary commercial steel or Government steel; but the Government steel is invariably of a very much better quality; that is, it is more carefully made and has a higher tensile strength. They generally run the governmental engines higher than ordinary commercial engines; and a pound on board ship is a more important matter than a pound in an ordinary engine. Sometimes it goes into a part of a ship where a pound, if it goes above a certain line, becomes important by adding to the possibility of upsetting, although, of course, if it is below that line it does not. The Government uses the very finest material, and the difference in price between the Government steel and ordinary commercial steel is considerable.

I should say, without stating it absolutely from the books that the machinery steel used in Government work would cost 8 cents a pound, while that used in ordinary work would be 2 cents a pound.

If the bill which is before you for consideration was in force, in making these engines in quantities, I would be in the predicament of laying myself open to confusion and embarrassment. Suppose I received a communication from the United States Government to forward them a certain part of an engine. Of course I would take it out of stock and I would not know whether that steel was made on the basis of an eight-hour day or on the basis of a nine-hour day. It would, therefore, be absolutely essential for me to do one of two things, either to conduct my business entirely on the eight-hour system or do away with my Government work.

Mr. HUGHES. What do you mean by furnishing the Government with a piece of machinery out of stock?

Mr. FORBES. To illustrate, the other day I got a telegram from somewhere in Key West to forward a certain part of an engine which I had built some four or five years ago, as they had dropped something on it and had broken it.

Mr. GILBERT. If the agent of the Government goes to your factory and buys from stock an engine that you have for the general trade, without reference to any particular purchaser, do you understand that this bill would affect the question as to the amount of labor that went into its construction?

Mr. FORBES. I understand that the provision of the bill would not be retroactive, but that it would affect it in the future.

Mr. HUGHES. Have you read this bill?

Mr. FORBES. Yes, sir.

Mr. GILBERT. It does not apply to any article on sale in storehouses.

Mr. FORBES. But I am making parts of these engines for the Government directly. At the present time I have a large number of engines on hand for the battle ship *Virginia*.

Mr. FOSTER. Continue with that illustration you started to give a moment ago. You started to say that you received a telegram from somewhere.

Mr. FORBES. I received the telegram from Key West the other day, and I immediately went to my storeroom and took out of stock a part

that was just what they wanted. If this eight-hour system were in vogue I could not positively tell whether that part had been made on an eight-hour basis or on a nine-hour basis. I would be in a very awkward predicament and would lay myself open to fine for sending them a part upon which nine hours' labor had been expended.

Mr. HUGHES. There is nothing in this bill which could, by any possibility, be construed to bring about such a state of affairs as you have suggested. This bill requires that the manufacturer shall contract with the Government, and that when he makes the contract this provision shall be inserted in it.

Mr. FORBES. It refers also to the subcontractor.

Mr. HUGHES. It says that they shall include this provision in the contract, and if there is no contract the bill does not apply.

Mr. FOSTER. You do not question that when he sends the part there is a contract, do you?

Mr. HUGHES. Certainly I do; I say that it is a part bought in the open market.

Mr. FOSTER. Even if it is bought in the open market there is a contract.

Mr. HUGHES. But not such a contract as is contemplated by this bill.

Mr. FOSTER. Could the Government go to other places, in the general market, and get that part?

Mr. FORBES. No; certainly not, because they are special.

Mr. FOSTER. Could you go out into the general market and get that part for the Government?

Mr. FORBES. Absolutely, no. Nobody else makes that part and they could not get it from any one but the W. D. Forbes Company. The Government protects itself from overcharges by asking, when you take a contract or a subcontract, that you give them prices on various parts which are likely to wear out.

Mr. FOSTER. The Government is really forced to come to you for every part of those machines?

Mr. FORBES. Absolutely, or else make it themselves.

Mr. HUGHES. It seems to me the question is whether the thing is *in esse* or is to be made.

Mr. FOSTER. We will not get into any controversy over that at this time.

Mr. HUGHES. We waste a good deal of time here by having gentlemen appear who have absolute misconceptions as to the meaning of this bill. Several of them have said that under the provisions of this bill they are subject to imprisonment, when there is no provision of the kind in the bill.

Mr. FORBES. Is there not a provision for a fine of \$5 a day for each man?

Mr. HUGHES. Yes; but there is no imprisonment provided for.

Mr. FORBES. It puts a man, who is a party to a contract with the Government, in a position which no man wants to put himself in. If I had to take government work on the eight-hour system to-day, I would simply say, I can not do it, because my books do not show that I make a sufficient profit to enable me to operate on that basis, and I would not be able to get along with a lower output from my machinery. We can make no money on a machine that is standing idle, and, unfortunately, we can not always make it when it is moving.



Mr. CALDWELL. Let me ask you what number of hours constitute a day's work or a week's work in your shop?

Mr. FORBES. Fifty-four hours. I originally worked ten hours a day, but some four or five years ago, after very careful consideration from the moneyed side, I made up my mind that I could run satisfactorily on a nine-hour basis, and without any pressure from labor associations, and without any outside influence whatever, I voluntarily went to a nine-hour basis. The men said: "Hurrah! you are a good fellow." But at the end of about three weeks they came to me and said: "Mr. Forbes, we do not like this." I said: "What is the matter with it?" They said: "Well, we kick our heels here half an hour in the morning and half an hour at night, doing nothing, and we do not like it. Would you consider a change?"

I asked: "What kind of a change do you want?" They said: "We would like to have you allow us, instead of working fifty-four hours a week, to work fifty-five hours a week and stop at 12 o'clock on Saturday—that is, work ten hours a day every day except Saturday, and on Saturday stop at 12 o'clock." I said: "I started on the fifty-four hour basis, and we will stop on Saturday at 11 o'clock." At that time they would wash up and go home to their dinner, and go off for the afternoon. My men preferred ten hours work every day with shorter hours on Saturday.

Mr. CALDWELL. Then for five days a week you work ten hours a day, and on Saturday you work four hours?

Mr. FORBES. Yes; and that seems to be more satisfactory to all the men I have employed.

Mr. GILBERT. Can you quit work at the end of ten hours?

Mr. FORBES. Of course we have some overtime.

Mr. GILBERT. Is there anything in the operation of machinery which would render it impracticable to stop at the expiration of ten hours?

Mr. FORBES. At times it would not be practicable to stop exactly at the end of ten hours. For instance, if you are boring a cylinder, after the tool has started to bore it is necessary to keep it going until it gets completely through, in order to avoid a ridge. If you stop a machine that has been revolving all day there will be some oil in the bearings and the whole thing settles, and that causes the tool to form a ridge.

But we can generally stop on ten hours. Of course our men are intelligent in that regard, and they will say, "We will not start that cut until to-morrow morning." It is not invariably necessary to stop running on the minute; at least we do not always have to stop at that time. We have had a very satisfactory result under our system. I have found by a little different system of payment I can keep them in better humor and get better work. I pay on Friday. Friday night every man that leaves the shop has all the money that is coming to him. I keep nothing back. I thought I would have trouble with the men leaving me on Saturday at the end of four hours; but it is very pleasant for me to be able to say that I have had no trouble at all in that regard. I can not see, however, how I could run my shop on an eight-hour system.

Mr. HUGHES. I do not want to interrupt your train of thought; but I would like to ask how the production of your shop, under the fifty-

four hour system, compares with the production of it before that time?

Mr. FORBES. It is somewhere between 6 and 11 per cent less. It depends entirely on the number of men I am working. The production is less, but it enables me to make a living out of it.

Mr. FOSTER. How many men do you ordinarily work?

Mr. FORBES. From 40 to 70. They are nearly all skilled mechanics. I think I have only four or five apprentices in the shop.

Mr. HERBERT. Do you mean that you have from 6 to 11 per cent less per hour or per day?

Mr. FORBES. That much less per day.

Mr. HERBERT. Do you mean that you get only that percentage less for four hours' work than you got for ten hours?

Mr. FORBES. I mean taking the whole week together. On Saturday, of course, I get just four hours' work, or a little less, because they are just as long in the starting and just as long in stopping on that day as any other.

Mr. GILBERT. Do you make engines for battle ships and for ocean liners?

Mr. FORBES. Only the auxiliary engines; not the large engines.

Mr. GILBERT. Where are they made?

Mr. FORBES. In Hoboken, N. J.

Mr. HUGHES. It figures out about even. You work about 10 per cent less and your production is about 10 per cent less.

Mr. FORBES. Somewhere between 6 and 11 per cent less. We get, of course, just so much less out of the machinery. If I wanted to put in more machinery I would not have the room for it, as I am pretty well filled up. I have never had any serious trouble with my men. I had a strike of six or seven months once, but under the system I am working now I want to say that my men have conscientiously tried to make the nine-hour system, or the fifty-four hour a week system, pay me. They have been very nice about that; but we have to keep at them all the time, because what is all right in the beginning is not all right at the end. They are like everyone else; they rush into work at the beginning and keep it up, but they will gradually come down. The only disagreeable part of it is that I have to keep boosting them up all the time, which sometimes makes a little bit of friction, but not very much.

Mr. CALDWELL. Is the number of hours provided for in this bill the only objection to it, or is it also an objection to you and to all persons connected with Government work that the work must stop exactly on the minute, even if it provided for nine hours a day? Is one of those features more objectionable than the other, or are they both objectionable?

Mr. FORBES. They are both objectionable to me. I think that as long as I do not work my men long enough to injure their health that the contract should be between me and my men. I think that if I make a contract with any gentleman on this committee to work for me a certain length of time, no one has any right to interfere with it, provided I do not transgress the laws of health, and provided the contract is not immoral.

Mr. CALDWELL. Would it interfere with you, in your work, to be forced to quit exactly at the minute, on a nine-hour day?

Mr. FORBES. I could not quit exactly on the minute, on a nine-hour day.

Mr. CALDWELL. Then it is not simply the limit of time to eight hours, but it is the quitting at the exact time to which you object?

Mr. FORBES. I object very seriously to that, because we could not do it. I have simply stated to you one illustration of that. Those circumstances are very common. Any machinist knows that in boring a cylinder you sometimes have a piece chucked and, after you start the machine, it is very important to keep it going. It would be almost impossible to quit. In fact it would be absurd.

Mr. CALDWELL. What proportion of the output of your shop for the last calendar year was Government work?

Mr. FORBES. Somewhere in the neighborhood of 85 per cent.

Mr. CALDWELL. Nearly all of it?

Mr. FORBES. Yes, sir; nearly all of it.

Mr. GILBERT. My contention is that the language of this bill is already elastic and does not mean a Procrustean rule, by which you are forced to quit on the minute; but if I am wrong about that, and if we change the wording of this bill so as to introduce the element of elasticity and make it the duty of the employer to observe eight hours as far as practicable, could you not operate under an eight-hour day as well as under a nine-hour day, except so far as the mere difference in wages is concerned?

Mr. FORBES. Upon a difference to me of my entire profit, which is very important to me.

Mr. HUGHES. But you would not manufacture for the Government at the same price. You would increase your price to the Government to take care of yourself, would you not?

Mr. FORBES. I do not think the Government would stand for it. I do not see why any set of gentlemen should try to compel the Government to pay more for an article than anyone else pays.

Mr. GILBERT. It is well understood that the Government must pay more for everything than anybody else does.

Mr. FORBES. You forget, gentlemen, that the only reason for that is because the Government wants a better article. I want to refute right here any idea that the growl against Government work is anywhere near well founded. I have been working for various bureaus of the Government, and in many cases have been permitted to make deviations from the exact Government specifications, because it was believed that in doing so the interests of the Government were properly safeguarded. Government work pays but a small percentage, but it pays it surely. Unfortunately, you never know when you are going to get your money. That is one very bad feature in Government work. You can not tell whether you will be paid in one week or two weeks or six weeks or six months.

Mr. GILBERT. There is a very general impression throughout the country that a merchant or a citizen can have a building constructed on his own account for about one-half of what it costs the Government.

Mr. FORBES. I could not speak as to buildings, but I know that my engines are priced just the same to the Government as to anybody else. I have a list from which it is almost impossible to get people to understand that I make no discount. Of course if the Government wants certain extra parts they pay for them. I have no trouble in that way at all. After the experience I have had with the nine-hour

day I want to say that if I were compelled to go to an eight-hour day it would lower my output so that I would have to quit business with the Government.

Mr. HUGHES. But everybody else would be affected in precisely the same manner.

Mr. FORBES. Then it would be up to you, in Congress, to account for making the Government pay more for an article than other people pay for it. That surely would not be fair.

Mr. HUGHES. We are trying to get at what you are worrying about.

Mr. FORBES. What would I do with my other hour on commercial work? The result would be that it would crowd out my commercial work entirely or it would crowd out my Government work entirely. I could not mix the two with any sort of commercial success.

Mr. SPALDING. If I understand you correctly, you say that you charge the Government for the same article, of the same quality, the same that you now charge other people?

Mr. FORBES. Yes; for the same article.

Mr. SPALDING. No more and no less?

Mr. FORBES. No more and no less, for the same article. I have but one price and I do not deviate from it. I have, in some cases, augmented my prices to the Government on certain articles because they wished certain changes made. For instance, in ice machines there is a part called the valve stem, and they wanted, for this part, a different grade of material used. I increased my price because it took me a great deal longer to machine that part in that way, and because the original price of the material was greater.

Mr. CALDWELL. Do you feel that you could successfully work your plant on Government work on the eight-hour basis and on commercial work on the nine-hour basis?

Mr. FORBES. I know I could not do it. It would be practically ruinous to me. I do not say that from mere guesswork. It is what my books will show.

Mr. HUGHES. Your books will not show anything about the eight-hour day, would they?

Mr. FORBES. No; but they will show the nine-hour day in comparison with the ten-hour day, which would be a very fair comparison between the nine-hour day and the eight-hour day.

Mr. HUGHES. I do not think so, because you are operating in competition with ten-hour firms.

Mr. FORBES. Possibly that may be so.

Mr. HUGHES. If you get the eight-hour day you will have to operate only in competition with the eight-hour firms, so far as Government work is concerned, whereas, now, you are laboring under more severe conditions of competition.

Mr. FORBES. What would I do with my other hour? How could I have my machines standing idle?

Mr. HUGHES. What do you do with the other hour now?

Mr. FORBES. Stop my machinery and let the boys go home.

Mr. HUGHES. That is what this bill contemplates.

Mr. FORBES. That would effectually stop me. The bill would certainly work well in that way, if you want to stop us. This bill, it seems to me, should be labeled differently from the way it is. It ought to be called a bill for charging the Government more for work than it is worth, and making it legal to do so.

Mr. HUGHES. It is a strange thing to hear a contractor inveigh against charging the Government more than a thing is worth.

The ACTING CHAIRMAN. Is there anything further you want to say, Mr. Forbes?

Mr. FORBES. Nothing that I know of, except that it seems to me that this bill is trespassing on my right to make an individual contract with my men; and that it should not be done so long as the contract is a moral one and not injurious to health.

Mr. GILBERT. How many hours a day do you say your men now work?

Mr. FORBES. They work fifty-four hours a week.

Mr. GILBERT. Under this bill they would work forty-eight hours a week.

Mr. FORBES. Yes, sir.

Mr. GILBERT. Six hours less in a week?

Mr. FORBES. Yes, sir.

Mr. GILBERT. Do you think that, under the eight-hour basis, the additional efficiency of the hands and their better satisfaction would, in a great measure, neutralize the difference of six hours?

Mr. FORBES. I can not see how it possibly could.

Mr. HUGHES. You are aware, I presume, that many firms have tried that experiment and have found that to be the result?

Mr. GILBERT. I was raised on the farm, and the prospect of a holiday would cause us to do two days' work in one.

Mr. HUGHES. You have never had any experience with the eight-hour day, have you?

Mr. FORBES. No; I have not, except foundry work. Some men have worked what they call practically eight hours.

Mr. HUGHES. You have never had the opportunity to compare the eight-hour day with the nine-hour or ten-hour day?

Mr. FORBES. No; but I have had ample opportunity to compare a nine-hour day with a ten-hour day.

Mr. HUGHES. Can you give us any idea how a nine-hour day compares with a ten-hour day? I do not mean how it compares with fifty-four hours a week; but when you were working nine hours a day how did your production compare with a ten-hour day?

Mr. FORBES. With a straight ten-hour day?

Mr. HUGHES. Yes.

Mr. FORBES. It was less.

Mr. HUGHES. You have no figures on that?

Mr. FORBES. I have not the figures with me, but I think I could show you the figures.

Mr. HUGHES. Are you positive it was less?

Mr. FORBES. Yes; and I can show you that it is perfectly true. You must remember that my work does not take physical effort.

Mr. HUGHES. It is just a question of machinery?

Mr. FORBES. It is a question of machinery. No man in my shop ever needs to have a drop of sweat on his face, because the machines do all the hard work.

Mr. CALDWELL. It is a mere question as to how long he will run the machines?

Mr. FORBES. Yes; if I could run my machines twenty-four hours a day, with two sets of men, of course I would make just so much more money. My taxes would be just the same.

Mr. HUGHES. You never tried operating your plant continuously?

Mr. FORBES. Yes; night and day, one day gang and one night gang.

Mr. HUGHES. With two twelve-hour shifts?

Mr. FORBES. No, not exactly. The night shift work about nine hours and a half and the day shift work about ten hours. I started in as a youngster on the twelve-hour day.

Mr. O'CONNELL. You say there is no occasion for any of your men to have a drop of sweat on their face, because the work is done by machinery?

Mr. FORBES. Yes.

Mr. O'CONNELL. Is not the assembling of the parts all done by hand?

Mr. FORBES. Yes; but the parts are so light that, with rare exceptions, they do not even have to use a tackle on it.

Mr. HUGHES. You manufacture small engines?

Mr. FORBES. Yes; little light things. I think the largest engine I have ever built is 250 horsepower, and that required a tackle to lift the cylinder. But that is a very small portion of my work, and that is done by laborers and not by machinists.

Mr. O'CONNELL. I understand fully the necessity of not stopping a machine when you are boring a cylinder, to which you referred a moment ago. There is, however, no injury in changing a man on the machine, if the machine continues to do the work?

Mr. FORBES. No; you can put on another man and the machine will keep on making the cut, no matter whether John Jones or John Smith is looking at it.

Mr. CALDWELL. What rate do you pay for overtime?

Mr. FORBES. We have an overtime card which is something like this: Up to 10 o'clock we pay time and a half, and after that double time.

Mr. HUGHES. How would you feel about a provision of this bill requiring eight hours as a unit for a day's work, and charging overtime for anything in excess of that?

Mr. FORBES. I should say that was something you had no business to require. If I want to get my men to work overtime and they want double pay after a certain time, and I think it is worth it, I give it to them; and if I do not think it is worth it I do not give it or they do the work my way.

Mr. CALDWELL. What rate do you pay for work on Sundays and holidays?

Mr. FORBES. I pay double time, except for repairs to keep the plant in order. If my engine should break down, and I have to have it to go to work on Monday morning, my men work on single time on Sunday to put it in order. That is my system. We never do any piecework. We run on straight time. I am a great lover of making my men do what is right, and not trusting to the piecework system at all. I much prefer the other way.

The ACTING CHAIRMAN. Mr. Harold Lomas wishes to appear before the committee.

**STATEMENT OF HAROLD LOMAS, OF THE CROCKER-WHEELER  
COMPANY, OF AMPERE, N. J.**

The ACTING CHAIRMAN. Will you state your name and business and whom you represent?

Mr. LOMAS. I represent the Crocker-Wheeler Company, of Ampere, N. J. They are electrical engineers and manufacturers chiefly of motors and dynamos.

I am their Washington manager, and am very much interested in this bill, because my business is to get Government contracts, and I am in Washington for that purpose.

Assuming that this bill should go through, we would have to do a great deal of our work on a ten-hour basis, and do our Government work on an eight-hour basis. Motors and dynamos are somewhat complex in construction; that is to say, there are a good many parts in them, and the various parts have to be made in different departments. Even a small motor or a small dynamo would probably be worked up in six or seven different places. The frame would be machined in one place. The armature disks would be punched in another place. They would be assembled in still another place. The armatures would be wound in another place.

The ACTING CHAIRMAN. Do you mean different places in the same factory?

Mr. LOMAS. Yes, sir; different places in the same factory. All of these operations have got to go on together, and it would be impossible, from our point of view, to have these operations stop at a certain point for an eight-hour day, and have others go on for a ten-hour day. It would further be objectionable because of the way our motors and dynamos are manufactured. Take, for instance, armature disks. There will be 50 or 100 of them required for one armature; but the man does not punch 50 or 100 and then stop. He will punch 1,000 of them. One hundred may be wanted for a Government job and the rest for a commercial job, but they will all be done at one time. There will be no distinction made between the two.

It comes down to this, that so far as motors and dynamos are concerned, it would be impracticable to arrange, in the same shop, to manufacture goods on an eight-hour basis and on a ten-hour basis at the same time. As you all know, to-day electricity, and the agencies by which electricity is generated, is absolutely a part of our life. The Government is a very large purchaser of electrical apparatus.

But every manufacturer has an immensely larger commercial business than he has a Government business. I believe that we are about the second largest manufacturer for the Government, and yet Government business is not 10 per cent of our whole business. There are a good many firms manufacturing goods for the Government; but I doubt whether the Government output of any of them is more than 10 per cent of the whole.

Mr. HUGHES. What kind of contracts do you take from the Government?

Mr. LOMAS. We take contracts for motors and dynamos. For instance, we are just furnishing the generating plant for the battle ship *Connecticut*. We supplied the Government Printing Office with our motors.

Mr. HUGHES. Is it not true that a large number of electrical wire-workers throughout the United States are now on the eight-hour basis?

Mr. LOMAS. No; there are no manufacturers that I know of on the eight-hour basis; none at all.

Mr. HUGHES. How about the men who are wiring buildings, putting in telephones, and installing plants?

Mr. LOMAS. The men who are wiring buildings are different from manufacturers. The people who wire buildings are under quite different regulations.

Mr. HUGHES. How many hours a day do your men, who attend to the installation of plants, work?

Mr. LOMAS. They work the same as the shop people.

Mr. HUGHES. Ten hours a day?

Mr. LOMAS. Yes; but that installation is entirely different from the installation of wires in buildings. We have gotten out a set of machinery and we have got to get it into operation at a certain time. Our men really have no recognized hours at all. They stay with the work until they get through with it.

Mr. HUGHES. You do not do this work of wiring buildings, and things of that sort?

Mr. LOMAS. None at all.

Mr. NELSON. Your own men that you have constructing these machines, and installing them, work how many hours a day?

Mr. LOMAS. They work ten hours throughout the shop.

Mr. NELSON. Outside of the shop, where you are installing different plants in different places, how long do they work?

Mr. LOMAS. There is not much of that done. We do very little installation ourselves. We occasionally install a dynamo; but if you do install a dynamo or generator you have got to install it when you can and how you can. We very often supply generators for hotels, and they have got to be open at a certain time. In such cases, the machinery has got to be in and it has got to go.

Mr. NELSON. You furnish men to install those. I want to know how many hours a day they work?

Mr. LOMAS. We furnish no laborers. We merely furnish a skilled engineer.

Mr. NELSON. Is it not true that the Crocker-Wheeler Company have about eight men they employ on that class of work?

Mr. LOMAS. Yes.

Mr. NELSON. I asked you how many hours a day they worked.

Mr. LOMAS. I have just said that they do not have any regular hours, because they have got to work when they can get it. If they go to a hotel, which has got to have its plant started at a certain time, they have got to get that plant started. They are on a different basis from the men in the shop.

Mr. NELSON. You do not know how many hours they work for a day's work?

Mr. LOMAS. No; I could not tell you.

This provision of the bill may or may not extend to subcontractors. I am not clear about that. The phrase "in the open market" is used. In the construction of our machines we buy a great many parts. We buy castings, and copper wire, and copper segments, and mica, etc. Copper wire can be bought in the open market; but castings, which



are made on our patterns, can not be bought in the open market. We are the only people who can buy them. I am not sure how far this bill would apply to those articles; but if the eight-hour provision applies to all of them you can readily see that it would entail a tremendous amount of confusion and inconvenience.

You may easily say: "Why should not the electrical manufacturer start out and make only Government work; and then there would be no confusion at all?" But unfortunately that is practically an impossibility, because Government work is immensely varied. One day they will ask for a 100-kilowatt dynamo for a battle ship and the next day they will ask for a small dynamo of three kilowatts for a wireless telegraphy apparatus. Another day they will ask for some small motors for their navy-yard.

I have shown you that no manufacturing concern has a very large proportion of Government business. So that, if this bill were to go into force, there would be no question but that every electrical manufacturer, especially those of motors and dynamos, would say: "We can not do this work and we will have to give up Government work." I have laid a good deal of stress on the subject of motors and dynamos. I suppose some of you know how very important the electrical industry is to the Government; but I do not know whether you understand how essential it is. There has been a great deal of talk lately about the importance and efficiency of the Navy and about the increase in the Navy.

Let me tell you, gentlemen, that to-day the dynamos on a battle ship provide the light, and they provide the power to drive the motors which operate the gun turrets. The guns are sighted and are loaded by motors. The deck winches are operated by motors. The pumps and everything else are operated by motors. In fact, all of the power is electrical, and it is an absolute fact that a battle ship to-day is, completely disabled if her dynamos give out. She is entirely crippled and there is nothing for her so do but turn around and go away. You can see, therefore, how absolutely vital the electrical industry is to the Government, from the naval point of view. The same observations apply to the coast defenses. The guns in the most modern coast defenses are operated, trained, and sighted by motors.

If this eight-hour bill goes through the manufacturers will practically be compelled to say that they can not take Government work, and therefore the Government will have to build their own shops. They can not do that because it will take them some time to build them, and they could not buy a shop which would supply all their demands. In the meantime what would the Government do for their electrical machinery? Even if they had their own shops, inasmuch as they would not be worked on competitive lines, the work would certainly be more costly. They would not have the spur of competition, which is absolutely necessary.

I do not mean to say that the manufacturers would not have some qualms about giving up Government work, because they would; but in some respects Government work is not so desirable. It is an excellent advertisement and we are all very proud to get it, but it is not desirable from the point of view of the electrical manufacturer, because the Government never calls for standard machinery. Every manufacturer makes his money by selling his 5, 10, and 20 horsepower motors from standard designs out of stock, just like so many buttons.

But the Government never calls for a standard article. They do not do it once in a hundred times. Everything the Government calls for, unless it happens to be a duplicate of another order, has to be designed, which, of course, adds to the cost.

Then after you have manufactured it the tests of the Government are very rigid. That, of course, is nothing which any good manufacturer is afraid of, but it all takes time. After that time has been consumed you have to get your bills passed, and it will take three months longer on a Government contract before you receive payment than it does on a commercial contract. So you see that, from that point of view, our business in Government work is not desirable for the manufacturers of dynamos and motors.

I think, gentlemen, this is possibly the entering wedge for a universal eight-hour day. I do not suppose there are any of us who have not felt that ten hours is a long time to ask any man to work, because it does not leave much time for anything else; but it is a question which you can not handle from the point of view of this country alone. If England and France and Germany, and other great manufacturing countries, are working ten hours or nine and a half hours, this country can not very well come down to eight hours.

Mr. HUGHES. Why should their example affect us?

Mr. LOMAS. Because, if you cut the hours down to eight, you increase the cost of your article. America to-day has an immense export trade. I mean an immense export trade even apart from cotton and tobacco. She has an immense export trade in machines of all kinds. I have been in London in business for an American concern and I know perfectly well that the prices of nearly all American manufactured articles are higher than the prices of those articles in England, France, and Germany. They are sold by reason of the energy and push that is manifested, by being on the spot, and by reason of a superior system. That is how those articles are sold. They are not sold on the question of price. In addition to that you have a 4,000-mile freight against you.

Mr. HUGHES. Do you not think it has been the policy of our Government to protect ourselves against the competition of these countries?

Mr. LOMAS. Yes; internally. If you make an eight-hour law it will make no difference internally, but externally you are going to sacrifice a great export trade and make that trade much harder to get.

Mr. HUGHES. It seems to me the policy of this Government, for many years, has been to sacrifice the export trade. One of the great parties has contended that the home market is all that we need, so long as we preserve it to ourselves. I do not think you would get many people to agree with you that we are competing with German, French, and English labor in the matter of hours and wages.

Mr. LOMAS. But if you cut out your export trade there will be a terrible state of affairs in a minute. Although the people do contend that, at the same time every manufacturer is very willing and very anxious to sell his goods abroad and will continue to be so.

Mr. SPALDING. Do they get more for them there than they do here?

Mr. LOMAS. No; they do not, as a general rule. They get less; but they have a fair profit.

Mr. HUGHES. We pay the dividends and the other places get the advantage in price.

Mr. LOMAS. It is what Mr. Chamberlain has been calling "dumping." But of course a good deal of it is not dumping. There is a very fair

profit in many things sold abroad. I know the concern I was with in London existed on those profits very nicely, but they were selling something more or less special.

Mr. HUGHES. What were you selling?

Mr. LOMAS. Articles in connection with electric-tram work. We were a little bit ahead of the English market. They were not quite up to date in the manufacture of those particular articles, so that we had the start of them, so to speak. American enterprise has the lead in a great many lines. If you can get England, Germany, and France to say that they will adopt an eight-hour day—

Mr. HUGHES. England is already practically on a nine-hour day where she is not on an eight-hour day.

Mr. LOMAS. The English day is nine and a half hours. Nearly all of them work that time.

Mr. CONNER. How general is that?

Mr. LOMAS. It is almost universal.

Mr. CONNER. There has been some suggestion here that they had an eight-hour day.

Mr. LOMAS. They have in a few shops. There was a good deal of talk about that six or seven years ago. But the men who argued for an eight-hour day argued on the basis that they could get more work out of their men in eight hours than they could in nine and a half. That, however, has never amounted to much and the nine-and-a-half-hour day is much more universal than the eight-hour day.

Mr. CONNER. Does that information come from your having been there?

Mr. LOMAS. Yes, sir.

Mr. SPALDING. How long a period does your observation there cover?

Mr. LOMAS. It covers nearly all my life. I was born there. Of course one does not observe these things much when one is a boy; but for six or seven years they were observed pretty closely by me.

Mr. HUGHES. When did you last have an opportunity of observing it?

Mr. LOMAS. About two and a half years ago.

Mr. HUGHES. What firms do you recall that were working nine and a half hours a day?

Mr. LOMAS. It was so general that one never bothered to find out about it.

Mr. HUGHES. I never heard anyone contend that, at any stage of her economic existence, England had a nine-and-a-half hour day. I know they worked sixteen hours a day and twelve hours a day and ten hours a day and sometimes eight hours a day; but I never heard of a nine-and-a-half hour day in England.

Mr. O'CONNELL. Are you familiar with the conditions in England?

Mr. LOMAS. Yes.

Mr. O'CONNELL. What is your opinion as to the ability of the English workman to produce, in a given time, the same amount that an American workman will produce?

Mr. LOMAS. He does not produce as much.

Mr. O'CONNELL. The English workman does not produce as much?

Mr. LOMAS. The English workman does not produce as much as the American.

Mr. O'CONNELL. I take it you mean by that that the workingman in Great Britain, Scotland, and Ireland does not produce as much as the American workman.

Mr. LOMAS. The English workman produces a good deal more than than the Irish; but the English does not produce as much as the American.

Mr. O'CONNELL. Is your company in competition with the Western Electric Company and the General Electric Company?

Mr. LOMAS. Yes.

Mr. O'CONNELL. Do you know what hours the Westinghouse Company work?

Mr. LOMAS. No.

Mr. O'CONNELL. Do you know that they work forty-eight hours a week?

Mr. LOMAS. I should say that they certainly were not working forty-eight hours a week.

Mr. O'CONNELL. Do you know that they are working less than ten hours a day or sixty hours a week?

Mr. LOMAS. I do not know how long they are working, but I think the General Electric and the Westinghouse Company work about the same hours that we do, which is ten hours a day for five days in the week, and in the winter time up to 4 o'clock on Saturday and in the summer time up to 12 o'clock.

Mr. O'CONNELL. You say the English workman does not produce as much as the American workman. You refer to the individual, excluding the machinery used in connection with him?

Mr. LOMAS. Yes; I mean the total result.

Mr. O'CONNELL. You mean from the man alone, excluding all surroundings?

Mr. LOMAS. Yes; I mean for the man.

Mr. O'CONNELL. How would the output in an electric shop in England compare with the output in an American shop under the same hours; would it compare favorably?

Mr. LOMAS. No, sir. The labor unions have been very strong in England, and they have operated with the intention of restricting the output. They have had more influence in that direction there than they have had here. Apart from that, however, the man himself would not do as much as a man here.

Mr. O'CONNELL. Are you familiar with the shipbuilding industry in Great Britain?

Mr. LOMAS. But very slightly.

Mr. O'CONNELL. You remember a strike that took place in the metal trades in Great Britain a few years ago?

Mr. LOMAS. Yes.

Mr. O'CONNELL. Do you remember that that strike was for a reduction of hours from nine to eight?

Mr. LOMAS. Yes; that was one of the points.

Mr. O'CONNELL. That was a point of contention at that time?

Mr. LOMAS. Yes.

Mr. O'CONNELL. That would indicate that they were working nine hours?

Mr. LOMAS. Yes; of course they are in the shipbuilding trade. That is a point that is often talked about and it is asked how it is that ships can be built cheaper in England than they are here. I think the chief reason for that is in the labor.

Mr. GILBERT. There is a general tendency to shorten the hours of labor in manufacturing establishments all over the country.

Mr. LOMAS. Yes; I think you can say that has been so for the last twenty or thirty years. They have always been getting shorter hours.

Mr. GILBERT. Just as the laborers increase in intelligence and attainment the more satisfactory the results of their labors are. As a broad proposition, is that so?

Mr. LOMAS. It is rather hard to answer that. The education of the laboring man is better than it was twenty years ago. I should say that would be so.

Mr. GILBERT. Would you not rather have employees working under an eight-hour system who are contented and satisfied than to have them working under a nine-hour system when they were discontented?

Mr. LOMAS. Yes; I think everyone would. But the question is can you do that? I maintain that you can not have an eight-hour day here without sacrificing a great market, unless you have an eight-hour day in the rest of the world.

Mr. HUGHES. Do you think there is any possibility that the foreign markets will remain open to us when we begin to interfere with them to any great extent?

Mr. LOMAS. Yes; I think the spread of commerce will bring the nations closer together.

Mr. HUGHES. Bear in mind the attitude which we take, which seems to be the established policy of this country and has been for years, that we are going to equalize the products of American industries and American labor by a tariff. Inasmuch as we are not believers in commercial freedom and the free interchange of commodities, do you think that other nations will for any length of time permit us to trade with them in that favored manner?

Mr. VREELAND. I suggest that the gentleman from New Jersey ask the witness a question, rather than to open up another field into which it would not be practicable to enter.

Mr. HUGHES. I do not understand just what you mean.

Mr. VREELAND. You are asking the gentleman whether he thinks, when we commence to interfere with foreign markets, we will be able to hold our own. I do not know whether he would be in a position to answer that question.

Mr. CONNER. I think we ought to avoid, as far as possible, making this inquiry political in any way.

Mr. HUGHES. One of your arguments, Mr. Lomas, as I understood you, was that the foreign market was what you are after?

Mr. LOMAS. I say that the foreign market will be jeopardized by an eight-hour day.

Mr. HUGHES. I do not think there is anything political in stating that there is a protective tariff, because that is a fact. I am not arguing that question and I do not intend to argue it; but the proposition that this gentleman advances is that the foreign market is what we are after.

Mr. VREELAND. I suggest that you simply ask him whether we will be able to maintain ourselves in a foreign market, under the proposed conditions, and let him consider all of the grounds, upon the supposition that he is familiar with them.

Mr. LOMAS. I say that the laboring man will be no better off if the output is restricted, because there will be less employment; so that he is simply cutting of his nose to spite his face.

Mr. CALDWELL. Would you favor a universal eight-hour day?

Mr. LOMAS. Yes, I would the world over.

Mr. HUGHES. Do you do much foreign business now?

Mr. LOMAS. Yes, we have agents in England and on the continent.

Mr. HUGHES. It is hard for me to adjust myself to this thing. We have long sought to protect the American laborer from the long hours and pauper labor of Europe. It is hard for me to think of protecting the Englishman against the long hours and low wages of the American. That is what confuses me.

Mr. LOMAS. There has been no statement made as to the low wages of the American.

Mr. O'CONNELL. You know that the laboring hours in Great Britain are less than they are in France.

Mr. LOMAS. I think they are about the same; but in France they have various hours of work.

Mr. O'CONNELL. Do you not know that the British manufacturers successfully compete in France in the sale of manufactured articles?

Mr. LOMAS. Yes; but then in a great many lines France does not offer very serious competition.

Mr. O'CONNELL. A gentleman, a manufacturer and a man of business, made the statement here a few days ago that the Scotch workman would produce 60 per cent more work in the same number of hours with the same number of tools than the American workman could.

Mr. HUGHES. That would be in the shipbuilding line.

Mr. O'CONNELL. Do you think that is possible?

Mr. LOMAS. Possibly Mr. Forbes can tell you more about that than I can, because he was brought up in Scotland in the shipbuilding industry. The system is the cause of the cheapness at which ships can be built there. They have it down to a fine business system. I do not think it is so much the amount of work that each individual workman turns out as it is because of the fact that they know exactly what to do. It is system which does it.

Mr. O'CONNELL. I take it you are a practical man and know something about the operation of machinery. It would seem to be a physical impossibility that a machine speeded to its highest tension in Scotland could produce 60 per cent more work than a similar machine set down in New York City in a shipyard.

Mr. LOMAS. Yes; I would not for a moment expect that to be so.

Mr. SCHULTEIS. How long have you been in this country?

Mr. LOMAS. Off and on for five years.

Mr. SCHULTEIS. I would like to ask Mr. Forbes how long he has been manufacturing in this country.

Mr. FORBES. I have been manufacturing for about twenty-six years. I think there is a clear misunderstanding in regard to this matter of workmen. I think that when the gentleman refers to the Scotchman doing 60 per cent more work, he referred almost entirely to the work on the hulls and the riveting of ships, and not so much to a machine work. With reference to the question of a workman doing more work here than there, I want to call your special attention to the fact that we generally get the very best. Think for a moment.

When boys are brought up together in a village in England, which is the one that comes to America? The boldest, the one with the most self-confidence, the one who is ready to stand up with any man. The timid fellow stays at home. Our men are quick to pick up their work. The foreman of an establishment in London, when I was there, told me that he paid a shilling more per day to the men who had been to

America than to those who had not been here. When the statement was made here that the Scotchman did 60 per cent more work than the American it related entirely to manual work. I think, as Mr. Lomas has just stated, that is due to the arrangement of the work.

Mr. CALDWELL. How many employees have you in your establishment?

Mr. LOMAS. About 800.

Mr. HUGHES. Mr. O'Connell, do you know how many hours a day the employees of the Westinghouse and General Electric Company work?

Mr. O'CONNELL. They operate about forty-eight hours per week.

Mr. FORBES. They have adopted that system very lately, then?

Mr. LOMAS. I do not think that is so.

Mr. FORBES. They may possibly be doing that on a certain kind of cylinder work, but that is not their regular time?

Mr. LOMAS. I am quite certain that is not so.

Mr. O'CONNELL. I will furnish that information to the committee.

Mr. HUGHES. Does anyone know whether the men who do the wiring in these big buildings work for the big concerns or whether they work for individual electric contractors?

Mr. LOMAS. That is quite outside of my line.

Mr. HUGHES. Mr. O'Connell, do you know anything about that?

Mr. O'CONNELL. They work entirely under building contractors and construction companies.

Mr. HUGHES. They almost universally work eight hours.

Mr. NELSON. I can state that they work on the eight-hour system.

Mr. HUGHES. Did you put any dynamos into the Government Printing Office?

Mr. LOMAS. Yes.

Mr. HUGHES. How many hours a day did the men work on that work?

Mr. LOMAS. I was not here and could not tell you that.

Mr. HUGHES. You installed that plant, did you?

Mr. LOMAS. Yes; but I suppose we only supplied one skilled engineer to install it. The laborers would be engaged otherwise.

Mr. CALDWELL. How many days are you working at your plant?

Mr. LOMAS. Full time.

Mr. CALDWELL. What is that full time?

Mr. LOMAS. Ten hours a day for five days a week, up until 4 o'clock on Saturday in the winter time, and up to 12 o'clock on Saturday in the summer.

Mr. HERBERT. Does your company sell more abroad than it does at home?

Mr. LOMAS. They sell more to the Government here than they sell abroad; and the percentage of what they sell to the Government is about 5 or 6 per cent of the total.

Mr. HERBERT. You mean to say that you sell more of your product to the Government than you sell in foreign markets?

Mr. LOMAS. Yes.

Mr. HERBERT. Is your foreign trade increasing or decreasing?

Mr. LOMAS. During the last year it has decreased. That is due to the fact that the General Electric Company and the Westinghouse Company have established works in England and we have not. So that you can not draw any conclusion from that fact.

Mr. HERBERT. Do you know whether the trade of those companies has increased abroad?

Mr. LOMAS. It has very greatly increased in England.

Mr. O'CONNELL. Do you know Mr. Chalmers, of the Allis-Chalmers Company?

Mr. LOMAS. Yes, sir.

Mr. O'CONNELL. You know they have a plant just outside of London?

Mr. LOMAS. Yes.

Mr. O'CONNELL. Have you seen a statement made by Mr. Chalmers, when president of the Allis-Chalmers Company, in London about two years ago, that he could build machinery in his plant in the city of Chicago, and set it down in the city of London, cheaper than he could build the same machinery at his plant just outside of London?

Mr. LOMAS. I did not see that statement; but a general statement like that is really of very little value. He might have the exact tools to do that work in America and not have them in England, and he might be turning out fifty of that particular article in America and not one in England. Under those circumstances he could do that. But if he were constantly manufacturing the same thing in England that he is in America he certainly could not do it.

Mr. HUGHES. What other element will enable us to get the foreign trade besides lengthening the hours of labor and decreasing wages?

Mr. LOMAS. You do not need to lengthen the hours beyond what they are now.

Mr. HUGHES. Suppose we have the advantage over England in the matter of hours?

Mr. LOMAS. The element which has told and will tell is the element of energy, push, system, and enterprise. It is the taking hold of a new thing and working it up to the last hilt.

Mr. HUGHES. We have the advantage of them along those lines?

Mr. LOMAS. Yes.

Mr. HUGHES. Do you think we need an additional advantage over them in the matter of longer hours?

Mr. LOMAS. You have the freight condition and high wages against you. You are never on an equal basis with them because you have got 4,000 miles of freight against you and the loss of time it takes in transportation, and the disadvantage of working so far from base. All of those are very considerable items, which have to be taken into account.

Mr. CONNER. Is it not a fact that our goods sell on their merits abroad?

Mr. LOMAS. Yes. There is a demand for them very often because they meet the demand or meet the emergency better than the local article will. In addition to that, very nearly every condition exists in this country and things that are manufactured to meet certain conditions here will meet those conditions in the rest of the world as the rest of the world develops.

Mr. SCHULTEIS. Do you know what percentage of the American workingmen are engaged in establishments like the Allis-Chalmers and other manufacturing concerns abroad?

Mr. LOMAS. No; I do not.

Mr. SCHULTEIS. When these American concerns establish plants



abroad, do you know what percentage of American workmen they take with them?

Mr. LOMAS. Very few. I would say practically none. Of course the managers, the chiefs, and the foreman, and possibly all the executive people, are very likely American. There is a tremendously strong prejudice abroad against importing American goods, so that one of their plans is to organize a company and call it, for instance, the British Westinghouse, and then employ all the local labor they can get.

Mr. SCHULTEIS. Do you not know that there is a strong prejudice against taking American workingmen over there?

Mr. LOMAS. There may be; but they have never taken them there. They could not get them to go, for the reason that it would not be likely the American workman would cross the sea and accept lower wages in England than he gets at home. He would not see the force of the fact that he can buy his loaf cheaper in England than he does here and that he would be just as well off.

Mr. SCHULTEIS. Is it not a fact that they do not have American workmen because there is a prejudice against bringing the American man into England?

Mr. LOMAS. No; but from a business point of view, if I were putting up electrical works in England, I would want British labor and I would try to bring the British labor up to the line of work, as we do it here.

Mr. SCHULTEIS. Are you familiar with the organization or society for the prevention of the introduction of foreign labor into England?

Mr. LOMAS. Not except by name.

Mr. SCHULTEIS. Do you know that it has on its board of directors some of the most prominent people in England?

Mr. LOMAS. Yes.

Mr. SCHULTEIS. From members of Parliament down?

Mr. LOMAS. Yes.

Mr. SCHULTEIS. Why is it, then, you think there is no prejudice against bringing the American workman into England, if you know there is a society formed, composed of the most prominent people in England, for that purpose?

Mr. LOMAS. There may be prejudice, but prejudice can not exist unless you bring the people there.

#### STATEMENT OF DANIEL DAVENPORT, OF BRIDGEPORT, CONN.

Mr. DAVENPORT. Mr. Chairman, when I was here the other day the course of the hearing, by asking questions, somewhat prevented me from calling the attention of the committee, as lawyers, to certain features of this bill, to which I think their attention should be directed, especially in view of the remarks and questions of some of the members of the committee.

Before I speak of that, however, I want to ask the committee where, if they begin this course of action, the United States Government is expected to stop.

You know that in 1892 there was placed upon the statute books a law which makes it a penal offense for an employer, a contractor, or a subcontractor, in any work done upon public works, to intentionally permit a man to work more than eight hours in any one calendar day. Our friends, the opponents of those who are opposing this bill, state

that the act of 1892 has committed this Government to the policy of an eight-hour day. They say that was the intent of the bill, and that such a policy should be extended so far as the power of the Government will permit. There was a statement made here or a question asked the other day by Mr. Schulteis which would indicate that the friends of that measure contend that it did extend to such a matter as a subcontract for building a part of a battle ship.

Gentlemen, I quite agree with these gentlemen that, if you adopt this bill which boycotts every concern that will not run its business upon the principle of an eight-hour day, there is no logical end to it, except the limit to the exercise of the power of the Federal Government. You gentlemen know that this measure is but one step in a great programme, which originated in what was called the Boston Eight-Hour League. I want to read to you the programme of that league, drawn, I think, by Ira Steward, the first great apostle of this doctrine. It was adopted in 1872. If you will notice this eight-hour legislation, you will observe that these bills began to appear in the State legislatures and in the Congress of the United States in 1868. Perhaps I am giving you no information about what is called the short-hour philosophy, which has been exploited by Mr. Steward, and Mr. George E. MacNeal, and Mr. Gunton.

This is the programme that was adopted:

*Resolved*, That poverty is the great fact with which the labor movement deals. That cooperation in labor is the final result to be obtained.

You gentlemen who are familiar with the nomenclature of this movement know that means socialism.

That a reduction in the hours of labor is the first step in labor reform, and that the emancipation of labor from the slavery and ignorance of poverty solves all the problems that now disturb and perplex mankind.

*Resolved*, That we demand legislation on the hours of labor, as follows:

1. An amendment of the patent laws of the United States by which an exclusive right to make or sell shall be forfeited when persons are employed in manufacturing an article patented more than eight hours a day.
2. An amendment to the acts of incorporation of cities and towns, requiring them to adopt the eight-hour rule in the employment of all mechanics and day laborers, and the same hours to apply to the same class of work for the State, whether directly or indirectly, through persons, firms, or corporations contracting with the State.
3. Manufacturing corporations to adopt the eight-hour system or surrender their charters.
4. All persons under 21 years of age to be employed not more than eight hours a day.

Mr. VREELAND. Whose programme is that?

Mr. DAVENPORT. That is the programme of the Boston Eight Hour League, which has probably been as fruitful in the effectual promulgation and bringing into operations these principles as any organization that was ever started. And I think I do the distinguished representative of the International Association of Machinists no injustice when I say that he is a believer in it. Certainly Mr. Gompers, the president of the American Federation of Labor, is a very able, energetic, and persistent advocate of these ideas. Now, gentlemen, I put it to you, as men and citizens, whether you should adopt this bill, which is to say to the contractor, You must not furnish your goods as cheap as you want to or as cheap as you can.

You must not proceed upon the same theory as you do with your other customers; but you have got to run your business upon the basis and theory of an absolute eight-hour day—not an elastic day, as our

friend the distinguished Congressman from Kentucky says, but an absolute eight-hour day. If you do that of course you should amend the patent laws of the United States, because in that case you grant a license to a man, and if he wants to have an exclusive privilege you should be allowed to fix the conditions upon which it shall be granted to him.

You will notice that this particular provision in this bill is but a small part of one of the planks of that platform.

Mr. SPALDING. Where do you find that platform?

Mr. DAVENPORT. I take it from an excellent work which I hope that every student of these matters will procure and examine. It is a book published by Funk & Wagnalls, called the "Encyclopedia of Social Reform," and edited by a man named Bliss. Articles in it were contributed by Mr. Gompers and other prominent men. It was published in 1895. You will find in it a very interesting article on the subject of the short-hour philosophy, and you will find in it also the platform of the Eight-Hour League.

Mr. Chairman, I understood that the particular measure that was to be considered and acted upon by this committee was what is called the Hitt bill, introduced by Congressman Hitt, of Illinois. It was the Senate bill, as amended by the Senate Committee on Education and Labor, and reported favorably by that committee. It is to that bill that the observations I want to make are applicable. I notice, however, to my great grief as a Democrat, that in the House of Representatives a member of this committee introduced an amendment to the naval appropriation bill which goes the whole length without reference to these qualifications and exceptions. I should think it was probably the essence of what was called originally the Gardner bill. I assume, however, that the thrashing out this subject has received here heretofore has brought the mind of every Senator and Congressman who favors this measure to the idea that nothing more or different from this Hitt bill, with its qualifications, could be attempted with any degree of safety.

Let me say, while I am on this subject, that when I left your committee the other day I took with me to my home in Bridgeport a stenographic copy of the remarks made by me, and having trimmed off the ragged edges a little and touched it up, I gave it to the reporter of our Democratic paper and our Republican paper and our independent paper, in a city of 80,000 people, and it was read throughout our Congressional district. In it, of course, I took pains to point out that this bill absolutely deprived the union workman and the nonunion workman of the privilege of working any more than eight hours a day even if they desired to do so. I pointed out that it had been introduced by a Republican Congressman in a Republican House of Representatives; that it had been referred to a Republican committee, and was to be passed upon by a Republican Congress, and would be approved by a Republican President.

I also pointed out that the American workman, so far as its provisions applied, would be deprived of the privilege of working more than eight hours a day, and that it would practically rob him of his independence; that from that time forth he would practically stand bound on the soil of his country, stripped of the very right for which his fathers bled, to wit, the right to dispose of his time and his labor.

I never did a more popular act. I received the approbation of union men and nonunion men in that community. I could read it in their beaming countenances, and I felt it in their gratulating hands.

I can tell you, gentlemen, that when it is brought to the attention of the American people—the working people of this country—that the effect and purpose of this bill is to deprive union men and nonunion men of the privilege of working more than eight hours a day, when by the constitutions of the unions, and in all the agreements which they propose with their employers, overtime is expressly provided for, there will be no further trouble over the question whether the Congress of the United States shall or shall not pass such a bill.

I went out to Indianapolis to a meeting of the Citizens' Industrial Alliance. I was requested to come there. Our association, of which I spoke the other day, is not a member of it; but the president of it asked me if I would not come out there and give them a little talk. When I was there they requested me also to appear here before this committee and urge upon the committee the fact that that great organization was opposed to this measure. I want to say to you, as their humble representative, that they are desperately opposed to this bill.

I now want to tell you about the city of Bridgeport, where I live. We have there the American Ordnance Company, which manufactures ordnance for the Government. We have the Union Metallic Cartridge Company, which of course manufactures ammunition for the Government. We have the Bullard Machine Tool Company, which manufactures special machines for the Government; and in the adjoining town of Norwalk, we have the Norwalk Iron Works which manufactures compressors for the Government. Let me say to you with all sincerity, and talking to you as I would like to have men talk to me if I was a member of Congress and wanted to do my duty, and wanted to understand how the people felt—let me say to you that if it shall ever come to pass that any member of the union so ably represented by Mr. O'Connell is told that he can not have the privilege of working overtime on any job for the Government for overtime pay, he will resent it and resist it.

I know I am speaking in the presence of gentlemen who are supposed to be, and no doubt believe they are, the representatives of these men. But let me say that, in my judgment, there is a profound misunderstanding somewhere, and that the individual members of the union, in my section of the country, do not understand that the bill here is a bill to prohibit them absolutely from working overtime.

I want now to call your attention to certain features of this bill which are very interesting. You know that when the bill left the committee here, the Gardner bill, it had a provision in it that the contractor was to be responsible for the acts of his employees and agents, and also that the contractor was to be responsible for the acts of the sub-contractor's employees and agents. The bill went to the Senate of the United States, and was reported.

Right here I want to say that there has crept into this report a statement to the effect that I spoke of the distinguished chairman of the Senate Committee on Education and Labor as "a man named McComas, from Maryland." I want to say that if, in the ardor of my talk, I used any such expression as that, I extremely regret it. It is unmannerly and undignified to so speak of an American citizen occupying

the high position of a United States Senator from a great State, and I trust I could not deliberately have been guilty of using such an expression. Senator McComas says:

It is a serious objection to the House bill that severe penalties are imposed for the acts and omissions of "employees and agents." Such acts and omissions may be unknown to the principals, unauthorized or forbidden by them. If the contractor or subcontractor directs such acts or omissions, or ratify them, then such are the acts of the contractor or subcontractor. If agents or employees habitually so act or omit, then knowledge will be imputed and the ratification of such acts or omissions be proven by such circumstances.

These are, then, the willful acts of the contractor or subcontractor, and not of their agents or employees. It is the contractor or subcontractor who is to be made liable and for knowingly violating this law, if it be enacted.

And so they strike out the words "employees and agents."

His interpretation of this bill is that it is only the contractor and subcontractor that is responsible for the intentional violation of the law. I gather from the remarks of the honorable gentleman from Kentucky, Mr. Gilbert, that that is also his idea.

I called the attention of the committee the other day to the absurdity of that doctrine when the bill still contained the provision that the contractor was to be responsible for the acts of the subcontractor, but I said then all I care to say upon that subject.

If this construction which the Senate committee has put upon the bill is correct, then I ask you what does this bill amount to? Suppose the directors of the Bethlehem Steel Company passed a resolution instructing all their employees and agents not to do this thing. The Bethlehem Steel Company is the contractor. Under the terms of this bill could you hold that company for these penalties?

I have only to refer you to the case of the Railway Company *v.* Prentice, in 147th United States, where the principle as to the liability of the railway company for the gross negligence or the willful misconduct of its employees is laid down. In that case the court says, so far as punitive damages are concerned, that you can not hold the principal liable for the act of the agent. Of course they are liable for compensatory damages, but they are not responsible for punitive damages. That doctrine was applied in my own State in a case in which I happened to be concerned.

The honorable Congressman from Kentucky, Mr. Gilbert, has an idea that this is a penal bill, and that its intent is to punish the contractor. Consequently, if that principle is to apply, and if the interpretation of the honorable Senator from Maryland is correct, then by striking out those words it makes this bill a nullity so far as its operation is concerned in relation to a corporation.

I submit that one defect in this bill will involve every man who undertakes to operate under it, and will keep the Government officer and the manufacturer in a complete tangle of difficulty. What does the word "permit" mean? What is the meaning that will be attached to that word? Does it mean that if he allows it to be done he will be liable? Does it mean that he must intentionally assent to it? Does it mean that he undertakes that it shall not be done at all?

The Congressman from Kentucky said it would be contrary to common sense to interpret this bill in that way, because this is a penal statute. But the committee will observe that this bill is drawn in such a way that it requires the officer of the Government to insert in any contract a certain provision by which the contractor stipulates that if

such a thing is permitted to be done he will forfeit \$5 a day for every man employed under the contract in which such thing is done.

I submit that no lawyer, not even Secretary Herbert, would undertake to say in advance that the word "permit" was confined to the construction which the gentleman from Kentucky put upon it. I am quite confident that no man can assert what it means, and that it will never be determined until the Supreme Court of the United States has determined it.

I now ask your attention to another provision of this bill and ask you what it means:

That no laborer or mechanic, doing any part of the work contemplated by the contract in the employ of the contractor or any subcontractor, \* \* \* shall be required or permitted to work more than eight hours a day in any one calendar day upon such work.

It has been clearly brought out before this committee that the employees of the Homestead Steel Works, although nominally they work twelve hours a day, really work only nine and a half hours a day. That was graphically illustrated by the gentleman who appeared here yesterday.

What is the object of this bill? Is it to tie down the contractor to the effect that from the time a man enters his employ for the day until the time he leaves shall be eight hours, or is the eight hours to cover the time that he actually works? If it is to be eight hours from the time he enters upon his employment until the time he leaves, you can readily see how enormously it cuts down the privileges and rights of the employer as well as those of the employee.

If, on the other hand, you take the other construction, that it means the time he is actually at work and does not cover the time he is sitting around reading the newspapers or waiting for another heat or a dozen different things, then how are you going to keep tab on it? If you had a thousand men it would require an inspector for every man to ascertain just how much time he did work, if such a construction is adopted. Is the penalty to be imposed only if he actually works more than eight hours a day? Take either horn of the dilemma, and I submit to you, as lawyers, that such a provision in the law is so obscure that it would reflect on the professional skill and intelligence of the man who supported it.

What other construction can you put upon this law? It is one or the other; and if it is either, how unjust and difficult of application are its provisions.

Let me refer a little further to this subject. In all of your wide reading did you ever find a law referring to the manufacturing business that contained such provisions as this bill contains? You take the reports of the Industrial Commission and search them through and you find nothing like it. The New Zealand law, passed in the very hotbed of socialism, expressly provides that eight hours shall constitute a day's work and that for overtime the workman shall be paid for overtime. Never, in their wildest attempts to interfere with the industrial system of the country, did they think of putting into operation a law such as this, which would make it impossible for a man to work more than eight hours in any calendar day.

Let me call the attention of our distinguished friend, the representative of the International Association of Machinists, to the contracts

and agreements which are entered into between the employers and the unions. Take the agreement between the Metal Trades Association and the International Association of Machinists and see how carefully it is therein provided that for overtime a certain pay shall be allowed. They universally stipulate for it. That evidences one of two things. It evidences that the members of the union value the right of working overtime or it evidences the fact that they recognize the economic necessity for it. The necessity of the manufacturer at times demands that the men should work overtime. What is true of the agreement I have just referred to is true of every other agreement that I have seen set forth in these reports.

Take the building trades. Under their agreements they work eight hours a day, but there is a specific provision that a man may work more than eight hours in a day and that he must be paid for overtime. It is the same in the Boston contract. It is the same in every one of the contracts between the building trades and the employers. It is the same in regard to the molders and in regard to everyone else. I lay it down as a fact that every one of those agreements recognizes that you can not have any hard and fast day which cuts off the privilege of working overtime. And that is what this bill does.

But, you say, we will fix this measure up. Suggestions have been made here, and we will make the necessary corrections; but, gentlemen, you are like a strong man struggling in a morass. Every effort you make to extricate yourself only sinks you the deeper and deeper. When you attempt that you encounter two other difficulties.

Mr. O'CONNELL. In your former statement made before this committee you stated the concerns that you represented, and among them you stated various building trades and Chicago societies. Are those firms not carrying on their business under the eight-hour day?

Mr. DAVENPORT. Yes; but their employees work overtime.

Mr. O'CONNELL. But they are working on an eight-hour day?

Mr. DAVENPORT. They work eight hours, but if the necessities of a man's business requires it they will work more, and they are very glad to work more.

Mr. SCHULTEIS. They receive pay and a half or double pay for overtime?

Mr. DAVENPORT. Certainly. If this was a bill to regulate wages it would be another matter. But I say that I really do not think, although there are very intelligent gentlemen here present in support of this bill, that they have fully appreciated the fact that this is a bill which, so far as the members of their unions are concerned, would strike at the practice of all unions by absolutely limiting the hours that a man can work in any calendar day.

Mr. O'CONNELL. Do you know that these various concerns, which you say you represent, do work overtime in their shops?

Mr. DAVENPORT. Only as I am told.

Mr. O'CONNELL. And to what extent have you been told?

Mr. DAVENPORT. To the extent that they do work overtime.

Mr. O'CONNELL. You stated, in your former statement, that you represented the antiboycott league?

Mr. DAVENPORT. Yes, sir.

Mr. O'CONNELL. You said that, later on, you would tell us why you did not want to disclose the members of that association; but in your statement later on you did not tell us.

Mr. DAVENPORT. I will cheerfully do that. When the necessity for the formation of an organization of that character was apparent to the employers of this country, I was requested to go out through the country and interview employers. In view of the fact that there was a great organization in the city of Washington, known as the American Federation of Labor, composed of twelve hundred thousand members scattered throughout the country, which was directing their boycotting operations against individual concerns, it was thought judicious and sensible, with which view I think any sensible man would agree, that if any man was asked to join such an association his membership in it should be kept private and in business confidence, so as not to expose him to the criminal measures of the American Federation of Labor. That was the idea.

You must remember that it was an initial movement in this great movement through this country for the purpose of enforcing the laws, and it leavened the whole lump. In going to these men they were told that their membership would not be disclosed. It happened in several cases that in order to defend a member he has been asked if he would allow his membership to be made known for the purpose of protecting him in his lawful acts against the criminal efforts of the American Federation of Labor, and they have let it be known. That was the reason why the membership was kept private. Now perhaps a great majority of them would be perfectly willing to have it known; yet, in honor, their names should not be disclosed.

Mr. O'CONNELL. Further on in your statement you say that you understand you represent certain other parties who are opposed to this bill. In your statement to-day you say you think we do not represent our people. What I want to ask is whether, when you say that you believe and you think that you represent these people, you do not credit us with the same sincerity?

Mr. DAVENPORT. I do not question your sincerity. I do not question the sincerity of any labor leader. The trouble about it is, they are too sincere. I question no man's sincerity. I would not undertake to say that you do not believe that you are voicing the sentiment of every member of your great organization; and yet I say that, from my intercourse with them and my interviews with them, they do not understand this bill as you understand it.

Mr. SPALDING. I, myself, misunderstood this matter. You said, when you started in to-day, that these gentlemen believed they represented certain people. I take it you mean that they believe they represent their sentiments rather than that they are their agents?

Mr. DAVENPORT. Yes. Of course I am familiar with the constitution and organization of a great many unions. I know that Mr. O'Connell is the president of the International Association of Machinists. So far as what may be called the political machine in that order is concerned, I make no question that he represents it; but I do not think, and I think experience will demonstrate it, that he really represents the true sentiments of the American members of his union when they know just what this bill is.

I am not prepared to say that if the proposition was to make an eight-hour day, with a stipulation that for work over that time they should be allowed compensation at the rate of time and a half or double time, they would not be in favor of it. I think they would be,



because, as I said the other day, the American workman wants shorter hours, but he also wants the privilege of working overtime.

Mr. O'CONNELL. You stated, in reading the document originally promulgated by the eight-hour league with reference to the eight-hour day, etc., that it was socialistic.

Mr. DAVENPORT. Yes, sir.

Mr. O'CONNELL. Will you please define, as briefly as you can, the word "socialism?"

Mr. DAVENPORT. I will. As I say, I went back to Bridgeport and put a copy of my remarks in the papers. On the 26th day of February I received the following through the mail:

[Socialist party, local, Bridgeport, Conn. Jasper McLevy, secretary, 460 Center street. Meetings at 176 Fairfield avenue, second and fourth Tuesdays of the month, at 8 p. m.]

BRIDGEPORT, CONN., February 26, 1904.

Mr. DANIEL DAVENPORT,

*Executive Agent of the American Anti-Boycott Association.*

SIR: As executive agent of the American Anti-Boycott Association you recently appeared before the Congressional Committee on Labor at Washington, D. C., and spoke against a purposed eight-hour law on governmental work.

What is claimed to be a stenographic report or your speech on that occasion appeared alike in all local newspapers.

You are quoted as having denounced the proposed eight-hour law as "Socialistic legislation, the result of the influence of a movement that is not only national but international in its scope and character," the principles of which you truly characterized as an "interference with the fundamental relations of employer and employed, master and servant, which relation you claim "is enduring and permanent," and which you further claim "civilized society will never give up." You then appealed to the members of the Congressional Committee on Labor "to do everything in their power to check the growth of that movement, much less to turn the great engine of the United States Government into a means of still further advancing such a movement."

The Socialist party, as you well said, is international. All over the world the working class are fast joining the ranks of this, the greatest economic and political movement the world ever saw, to establish the grandest ideal the world ever conceived of—that of capturing, through the peaceful but powerful ballot, "the great engines of government" not only of the United States, but of the world, and use their legislative, judicial, and executive powers not only as a means "to advance the socialist movement," but to actually establish its ideal. Not only "to interfere with the relation of master and servant," but to abolish that relation for all time. How? Why, by abolishing capitalism. The individual ownership and individual management, for profit, of socially used and socially necessary things. All of which gives rise to that relation, by putting the few owning individuals in the position of "masters," and the nonowning countless millions in the position of "servants"—poverty-stricken lackeys and slaves.

The establishment of socialism means social ownership and democratic management, for the benefit of all—all the industrys, institutions, and things that are collectively used and collectively necessary. This means that the capitalist—the master—must go, and the relation of master and slave go with him, for having no masters we shall have no slaves, but instead a race of free men and free women, each serving all, all serving each—not preaching the golden rule, but living it.

Mr. Davenport, do you say "civilized society will never give up the relation of master and servant?" We tell you, and those you represent, and mark our words, the members of, and voters for, the Socialist party of America number over a quarter of a million; their comrades the world over numbering over ten million, as well as the rest of the workers of the world, that are fast awakening; that besides doing the world's work, we are too "civilized" to much longer carry the monkey-dinner-giving parasitical capitalist financiers on our backs. Soon we shall vote them out of existence; throw them off our backs; "civilize" them; force them to do their share of the world's work or starve.

Then we shall have but one class the world over—the working class—and that class shall not only feed, clothe, and house this world, but own it and enjoy it.

I noticed that in your speech you refer to Socialist arguments as "sophistical." We will give you a good chance at proving that assertion. At its last regular meet-

ing, Monday, February 22, Local Bridgeport of the Socialist party of Connecticut, a part of the S. P. of A., decided to challenge you to a public debate on Socialism, and I was chosen as its representative and your opponent in such debate.

I therefore challenge you to appear with me on a public platform and debate the following proposition: Resolved, That Socialism is just, necessary, and desirable. I take the affirmative, or you may so word a similar proposition as to give yourself the affirmative.

We offer to pay the rent for any large hall or play house in this city, you to select date. Should you accept this challenge you will be shown the utmost courtesy, and any fair condition will be cheerfully agreed to. A copy of this challenge will be sent to the entire labor press of America, and will otherwise be given as much publicity as a prejudiced press in the hands of capitalists makes possible.

Should you fail to debate with me, the working class of this country whose "friend" you profess to be (while fighting them) will be forced to believe that you can not substantiate your assertions when not before a Congressional Committee on Labor, that is against labor.

Mr. Davenport, you spoke "representing the great and varied interests" of the capitalist class of this country. We speak representing interests greater and far more important, the interests of the only necessary part of the human race, the producers of all wealth, the working class.

Will you answer a workingman's arguments for the freedom of his class?

Awaiting an early reply, I am for local Bridgeport of the Socialist party, 170 Park street, city.

SOL FIELDMAN.

That man is one of the most remarkable men in this country. It is needless to say that upon its receipt I sat down and replied that at present I was busy in Washington resisting, as far as I could in my humble way, the launching of this Government upon the socialistic sea, and that before they cut the ropes that would let the old ship go down the tide of time, I was going to try to get the members of Congress in their committees not to decide upon this subject. I told him that as soon as I could I would accept his challenge to discuss the question. I understand socialism to be outlined in that document. I understand that the fundamental principles of a large number of the labor organizations of this country are socialistic.

I understand also that at the last federation convention, held at Boston, a proposition to go into politics was voted down, as Mr. Gompers stated the other day. But they did not undertake to condemn the principles of any organization composing that federation; and I say that any attempt on the part of the State to invade the individual rights of man, so long as they are not harmful, is socialistic in its tendency, according to my conception of the subject. I understand this bill is wholly and entirely socialistic; and that it is an attempt to use the Government for the purpose of carrying out ideas of the socialists. If you will look at either the seventh or the seventeenth volume of the reports you will find a statement in regard to this eight-hour measure, made by Mr. O'Connell, where he is reported, by the secretary of his association, as advising all the members of his association that they must stop working overtime; that they must educate themselves up or down to the opinion that they must not work overtime, in order that the eight-hour day may be established.

Of course, there is a great difference between the platform of a political party and the individual belief of the members of that party. I undertake to say that the individual labor-union men in this country are not socialists and do not believe in socialism; but I say that it is the purpose and intent of a great many of the leaders of those organizations to commit them to the socialistic movement for the purpose of propagating their doctrines. The labor organizations in this

country are the propaganda, to a very large degree, of socialism. But I prefer not to take the time of busy men to talk about socialism.

Mr. O'CONNELL. I am not a socialist.

Mr. DAVENPORT. We are sometimes that which we do not think we are.

Mr. VREELAND. I do not think that you have exactly answered the question of Mr. O'Connell. I understood him to ask you why the demand of any organization of men for a reduction in the hours of labor is socialistic. If I understood you correctly your idea was that while such a demand would not be socialistic, yet the arbitrary enactment of a law would be.

Mr. DAVENPORT. Why, it is laid down in this programme that poverty is the great fact with which labor deals, and that cooperation in labor is the final result to be obtained. Everybody who knows anything about the literature and philosophy of these matters knows that the expression "cooperation in labor" means just what it is said to mean by the very able author of this book.

Mr. VREELAND. Then you consider that if the reduction in the hours of labor is not brought about by operation of law it is not socialistic?

Mr. DAVENPORT. Certainly not. If you had the patience to listen I would like to go into a discussion of the subject as to what has raised the condition of the workingman. I would like to go into that subject in a broad way. You know that our friends say the labor unions have improved his condition in this, that, and the other, and that is their justification. My own individual view upon this subject is that instead of helping him they have hindered him. Take, for instance, this matter of factory legislation.

They tell you that back in the thirties there were little children driven into the pen in the factories. Anybody who has read on this subject knows that the introduction of the factory system, instead of increasing the unfortunate condition of the children, did just the reverse. These children, instead of living in what were called cottages, but were in reality huts, were brought together in the factory and immediately there was a concentration of public attention upon them. The attention of men like Dickens and Kingsley and others was at once directed toward them. And so the elevation of the workingman is not because of the labor organizations, but in spite of them. That, of course, is a pretty broad statement and may need some qualification. The labor unions no more improved the condition of the laboring man, speaking broadly, than they abolished slavery or reformed the conditions in the prisons and hospitals. They are all a part of a great upward movement, which is the result of the introduction of labor-saving machinery.

In this last coal strike the incidental and consequential injuries resulting from it have been infinitely more than the little gain they have made. I know I am talking upon a subject about which you will not agree with me.

I sympathize with the effort of every man to improve his condition. As I have said before, everything I have in this world in the way of political friendship and political standing is due to the workingman. I believe I know how they feel about these things, and I tell you, my friends, it is not by means of legislation that you are going to improve their condition. It is in other ways. It is to take the individual boy,

and say, Make a man of yourself; cultivate the faculties God has given you; develop yourself and improve your opportunities.

Mr. FURUSETH. You are acquainted, to some extent, with the steel trust?

Mr. DAVENPORT. I never bought any stock in it, perhaps because I was not able.

Mr. FURUSETH. There are comparatively few steel factories outside of those belonging to the steel trust, are there not?

Mr. DAVENPORT. I should suppose that the great bulk of the steel industry is controlled by that organization known as the United States Steel Corporation.

Mr. FURUSETH. You believe that that corporation, or the individual units of it, should have the power to determine the hours of labor at all times?

Mr. DAVENPORT. Yes; I do.

Mr. FURUSETH. Then will you explain to this committee what opportunity the individual worker will have and where can he go to continue as a steel worker if he is dissatisfied with the conditions as to hours and labor they prescribe?

Mr. DAVENPORT. If he works for them, he will have to conform to their wishes and desires. But let me say to you that the capitalist is infinitely more dependent upon the laboring man than the laboring man is upon the capitalist.

Mr. FURUSETH. But that does not answer my question. I ask you where is he to go?

Mr. DAVENPORT. If he will not work for them?

Mr. FURUSETH. If he is not willing to work for them on their conditions, where can he go and continue as a steel worker?

Mr. DAVENPORT. I do not know.

Mr. SCHULTEIS. Do you consider that the combination of a number of companies is socialistic?

Mr. DAVENPORT. I do not.

Mr. SCHULTEIS. Do you consider that trusts are socialistic in their tendencies?

Mr. DAVENPORT. I do not; and if it were important I could give my reasons.

Mr. VREELAND. They are the direct opposite of socialistic; they are monopolistic.

Mr. DAVENPORT. It is very popular, and has been ever since I was a boy, to pitch into the capitalists. They used to call them the bondholders, and then it was the banks. But let me say right here, gentlemen, that you know there is something moving in this country. Since I was a boy there never has been but two occasions when the American people went into politics. One was between 1861 and 1865 when the American people were in politics. The other time was in 1896. But let me tell you that the condition of affairs is becoming so intolerable in this country, and so greatly has the public been annoyed, and so greatly have the great army of workingmen outside of the unions been annoyed, and so great has been the tyranny of these unions over their members, that you are upon the eve of a great political movement on the part of the American people, in which they will deal with this subject. If you will let this business alone, the American people will take care of it.

Of course everyone who has passed beyond the rudiments of political economy knows that the capitalist is the friend of the working-man. Everybody knows that it is only by means of capital that labor can be made productive. Everybody knows that when the working-man puts by a hundred dollars, if he puts it in his pocket he does not get any return from it. But if he puts it in bank somebody will borrow it, and it goes to work. Take John D. Rockefeller, for instance. By his thrift, his prudence, and his immense sagacity, he has succeeded in piling up his wealth. But in order to make anything out of it he has got to put it to work in this country, directly or indirectly. Wherever he invests his money to get any return from it he has got to put more men to work and he increases the field of labor. All of this is stuff that men talk, as I have talked it myself on the stump as a Democratic spokesman in campaigns, for temporary purposes.

Mr. CONNOR. And because you were a Democrat?

Mr. DAVENPORT. No; only because I was imitating the Republicans. Our friend here is making the greatest mistake of his life if he thinks the American people do not see what has brought this country to its present position. This country has been led to greatness by the hand of individual freedom, and by the hand of industrial and political freedom. The American people are thoroughly saturated with that idea, and as soon as an organization can be perfected to bring their sentiment to bear, one fruitful source of trouble will pass away and there will be no more of this business.

Mr. FURUSETH. What about the freedom of that workman I spoke to you about? What becomes of his individual and personal freedom, and where is he to go?

Mr. DAVENPORT. He can leave, if he will not work for them. He will have to go to some other place.

Mr. FURUSETH. But what becomes of his individual freedom? Has he got to go?

Mr. DAVENPORT. I think he has exactly the same right that I have. But here is the point; you strike down the individual freedom of the capitalist, and you paralyze his enterprises. That is one of the great risks in this coming campaign. I speak now, of course, as a citizen. The sentiment has gone forth that the gentlemen in charge of the Government of the United States are making capital insecure. It is probably a falsehood, but the rumor has gone forth.

If the feeling goes forth that you are intending to strike down the individual right of the individual workman you will start a tempest in this coming campaign, the effect of which you can not measure. The individual workman in this country has greater opportunities now than he ever had, except in so far as men of their own class have banded together to confine him and rule him, and kill him if he asserts them.

Mr. O'CONNELL. What becomes of the independent refiner under the policy for which you argue, practiced by Mr. Rockefeller?

Mr. SCHULTEIS. And of the independent coal-mine owner.

Mr. DAVENPORT. You are now opening up another very extensive field. Of course, the principle of competition is a vital principle to society. As long as a man has the opportunity to go into the fight and compete with his neighbor, the exercise of that power on his part is incidentally and indirectly for the benefit of the community. Because a man gets the start in this competitive fight and secures practically a monopoly of business is no reason why you should strike at the prin-

ciple of competition. I am not conversant with the conditions that pertain to the oil business. I am not conversant with that subject. It is too large for me. But let me say, gentlemen, that I have an idea that all of these things will work themselves out all right so long as we stick to the one fundamental principle of the right of the individual to run his own business according to the dictates of his own business judgment.

Was there ever a greater justification for this accumulation of capital than was exhibited here when one of these gentlemen told you about men earning \$20 or \$30 a day in mechanical operations, by means of their knowledge and skill?

I shall probably explain this more fully upon the platform in Bridgeport, but it seems to me that the point that is made about the helplessness of the individual workingman, in the face of these great combinations of capital, is entirely illusory.

Mr. O'CONNELL. He has the same chance that the independent refiner has. He disappears altogether. There are no independent refiners.

Mr. VREELAND. Yes; there are a great many of them.

Mr. O'CONNELL. They are subject entirely to the conditions laid down by the Standard Oil Company.

Mr. HUGHES. I would like to have you answer yes or no to one or two questions, in order that I may see if I have your position right in my mind. You say that you think it is socialistic for the Government to attempt to limit the hours of labor?

Mr. DAVENPORT. Yes, in a matter of this kind.

Mr. HUGHES. I want to ask you if you think this fairly presents the opposite of the socialistic view: "It has been said that this is a bill to limit the opportunity of the workingman to gain a livelihood. This is not so; it will have the opposite effect. So far as the Government of the United States as an employer is concerned, in the limitation of a day's work provided in this bill to eight hours, instead of putting any limitation upon the opportunity of the American freemen to earn a living it increases and enlarges the opportunity for the workingman to earn a living. \* \* \* It applies now only to the labor of men's hands. It applies only to the work. It does not apply to material; it does not apply to transportation. It only applies to the actual labor, skilled or unskilled, employed on public works and in the execution of the contracts of the Government. And the Government of the United States ought, finally and in good faith, to set this example of eight hours as constituting a day's work required of laboring men in the service of the United States. The tendency of the times the world over is for shorter hours for labor—shorter hours in the interest of health, shorter hours in the interest of humanity, shorter hours in the interest of the home and the family; and the United States can do no better service to labor and to its own citizens than to set the example to States, corporations, and the individuals employing men by declaring that so far as the Government is concerned eight hours shall constitute a day's work and be all that is required of its laboring force."

Mr. DAVENPORT. I do not agree with that.

Mr. HUGHES. Are you aware that about a million copies of this speech of Mr. McKinley were printed and scattered throughout the State of Ohio, and that Mr. McKinley was elected governor immediately afterwards by a majority of over 40,000?

Mr. DAVENPORT. That was in the fall of 1890, was it not? Let me say that Mr. McKinley was defeated for Congress that fall. Of course that was on account of the McKinley bill.

Mr. VREELAND. It was because Ohio was redistricted.

Mr. SCHULTEIS. He ran for governor after that and was elected by the largest majority ever received in that State.

Mr. DAVENPORT. The whole issue in that campaign was the silver question.

Mr. TRACY. You say there was no eight-hour law previous to the act of 1892?

Mr. DAVENPORT. No compulsory eight-hour law.

Mr. TRACY. Was not President Grant's proclamation in 1868 in the direction of putting into effective force the eight-hour law?

Mr. DAVENPORT. The executive head of this Government made a proclamation that under the provisions of this law eight hours was to constitute a day's work, and that the men should be paid for a day's work. But that law did not undertake to prohibit a man from working more than eight hours, any more than the law in my State does. In my city to-day, if the letter carrier comes to my door, and is walking up my stairs, and his limit for work expires, he does not deliver my letters, but he goes back to the post-office, because if he works more than eight hours a day he has to be paid for overtime. The postmaster in my town, in view of the difficulty pertaining to that matter, has provided that he shall come back to the office.

What I condemn in the labor leaders of this country is that they do not try to discriminate between the class of legislation that was passed in 1892 and a bill containing such provisions as this one now under discussion, which makes it a penal offense for a contractor to employ a man more than eight hours a day, even if that man wants to work.

Mr. VREELAND. I suppose you make a distinction between the action of the Government with reference to its own work and the limitation which it seeks to impose upon certain individuals and firms?

Mr. DAVENPORT. Of course. There are some observations which distinguish this subject from the constitutional declarations of the Supreme Court in the Kansas case. It was stated here by Mr. Gilbert yesterday, as though it were a settled matter, that the Kansas case settled this question, although there were three dissenting judges in that case. But if you will take the trouble to examine, you will find that the Kansas law is very much broader than the provision that was involved in that decision.

Mr. HUGHES. You can not compare the Kansas law with this law.

Mr. SCHULTEIS. I want to ask Mr. Davenport one or two questions. Do you hold that it is incompetent for Congress to make a law which will conserve the general welfare, life, safety, and morals of the people? Is it not within the police power of a State or government to enact such legislation?

Mr. DAVENPORT. Of course. We all know that in the Utah case, so far as it relates to matters that in common experience were injurious to the health of the laboring men, it was held to be constitutional for a State to do that. We also know that in the Kansas case there was an entirely different principle involved, which related to the power of the Government to determine the conditions upon which work should be done. As Mr. Justice Harlan in that case, in rendering the opinion of the majority of the Supreme Court, says, when you come to that

great question, which is not involved here, as to the right of the State to enact a general eight-hour law, the subject is a very wide one, and one which it is not necessary to enter into. He went no further than to make certain suggestions as to what had been said in favor of such a proposition.

Mr. SCHULTEIS. Why have you not brought a case before the Supreme Court of the United States to have that question settled? We have had men convicted right here in the District of Columbia, and fined \$1,000, and no organization ever took the matter up to secure the decision of the Supreme Court.

Mr. DAVENPORT. I know that in the District of Columbia the Supreme Court has decided that it is a heinous crime against the individual and a crime against society to boycott a man, and that is what the American Federation of Labor is constantly doing.

Mr. O'Connell, of course, is one of the executive officers of that body, and if he reads any other law than that which Mr. Gompers publishes in his magazine, I want to call his attention to a decision of the Supreme Court of the United States to the effect that boycotting in the District of Columbia is a heinous offense under the Constitution and laws of the United States.

Mr. L. I now move that we take a recess until next Thursday, 10.30 o'clock.

Agreed to.

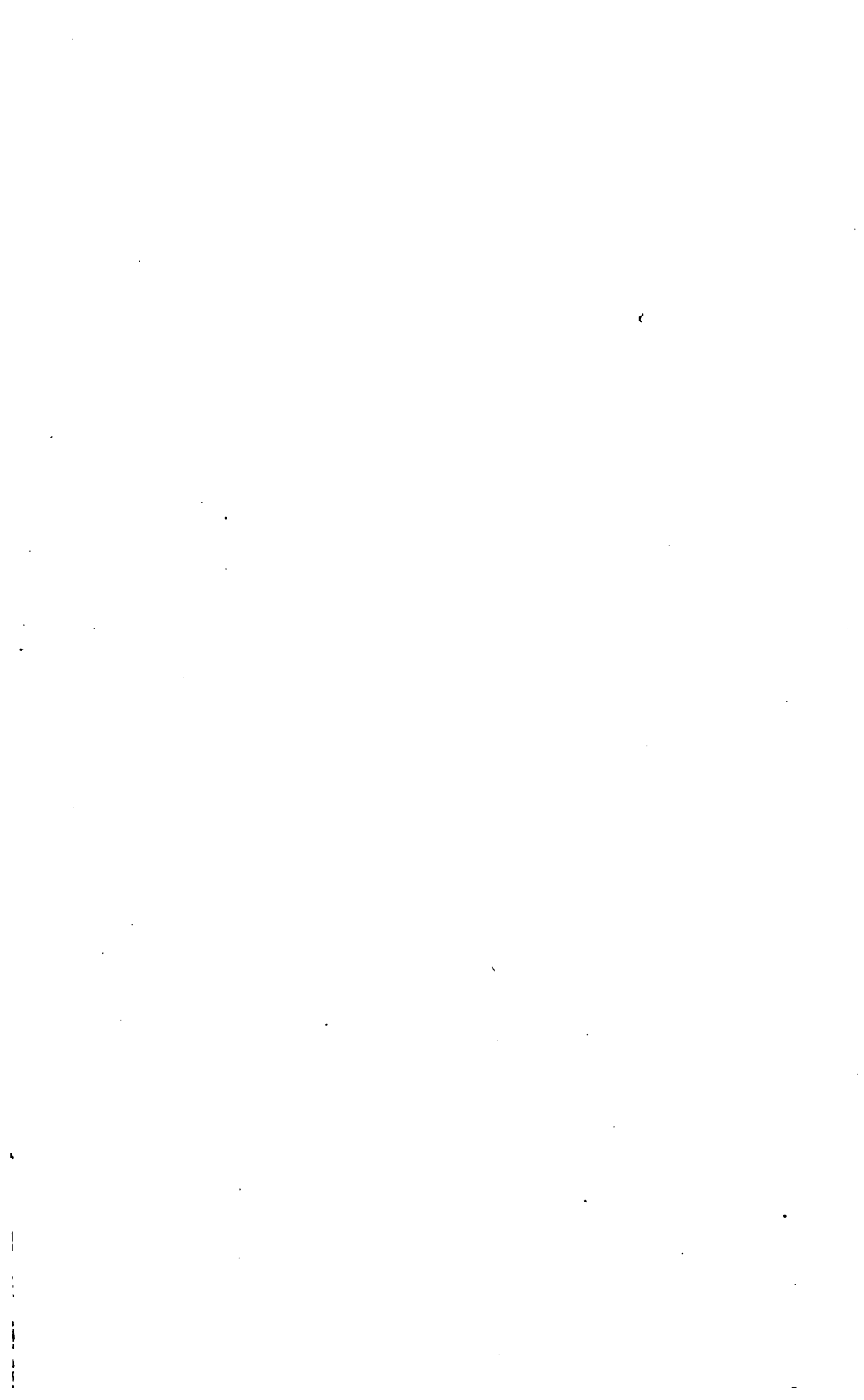
At 10 o'clock and 20 minutes p. m.) the committee adjourned, March 10, 1904, at 10.30 o'clock a. m.

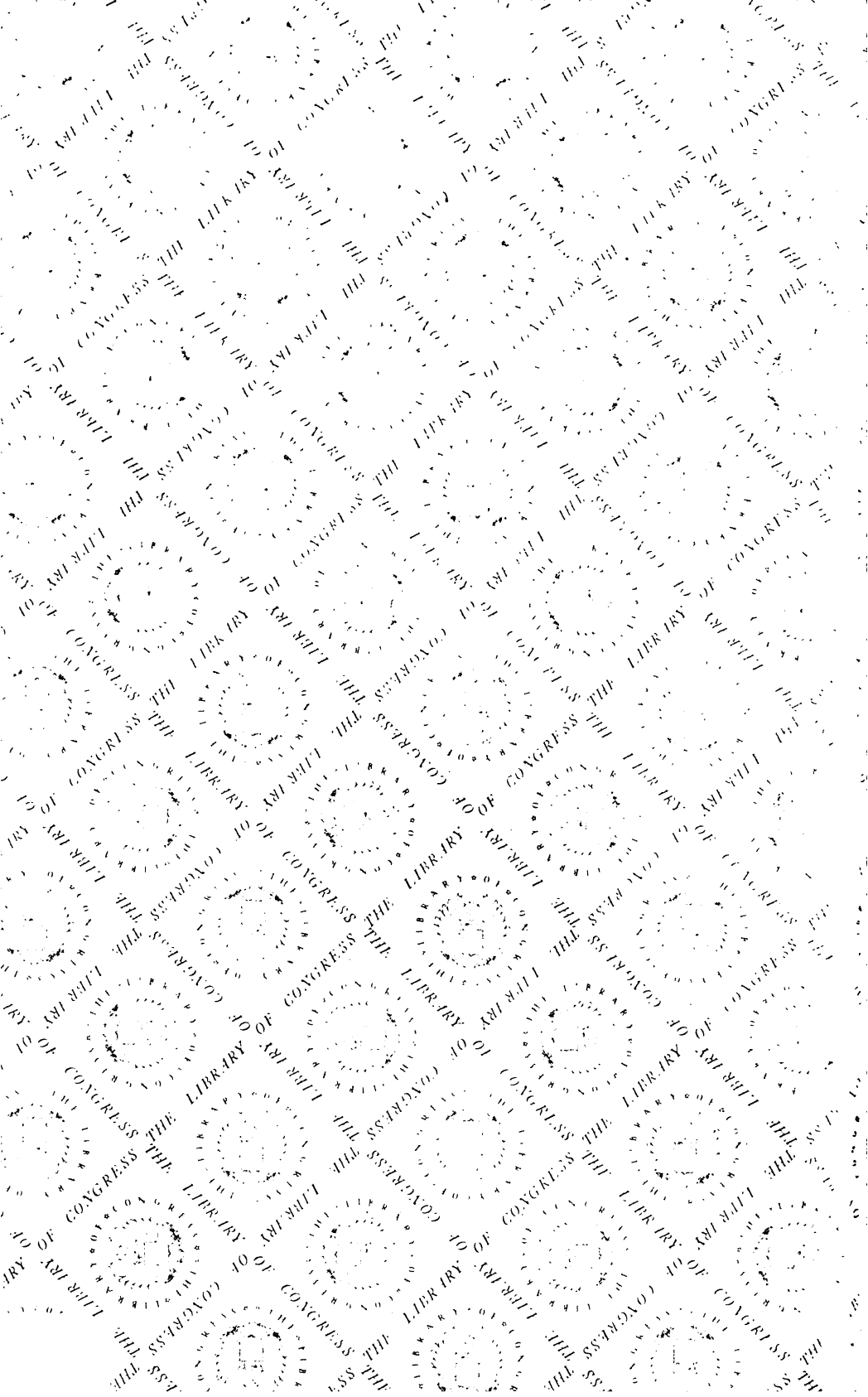


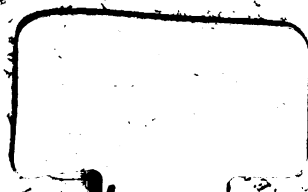
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